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1963 ANNUAL REPORT THE GOVERNOR OF THE Virgin Islands

To the Secretary of the Interior
for the Fiscal Year Ended June 30



THE GOVERNOR OF THE Virgin Islands

To the Secretary of the Interior
for the Fiscal Year Ended June 30




Annual Report
1963

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1963 Annual Report of the GOVERNOR OF THE VIRGIN ISLANDS

RALPH M. PAIEWONSKY, *Governor*

General information

Geography

A part of the curving Antilles chain separating the Caribbean Sea from the Atlantic Ocean, the Virgin Islands of the United States are located about 40 miles east of Puerto Rico and some 1,400 miles south-east of New York City.

More than 50 islands and cays of volcanic origin are included in this West Indian territory, but only 3 presently are of any population or commercial significance. The largest of these, St. Croix, has 84 square miles of land, much of it flat and suitable for agricultural use. Forty miles to the north of St. Croix lie the islands of St. Thomas and St. John which rise from the same submarine plateau. St. Thomas, with 28 square miles, and St. John, with 20 square miles, are rugged mountainous islands with peaks reaching a maximum height of 1,500 feet above sea level. Between these two islands and St. Croix, the Caribbean Sea deepens to 15,000 feet.

The steeply sloping mountain sides on St. Thomas and St. John drop abruptly to the sea, leaving very little tillable land. On St. Croix, sugarcane still is the main crop, though of diminishing economic feasibility. However, farming with machine cultivation is making food crops an attractive new enterprise for both local and export markets.

The limited agricultural resources of St. Thomas are compensated in large degree by the harbor. Once an important shipping center, Charlotte Amalie now has become one of the world's most popular ports of call for cruise ships.

The beautiful Virgin Islands National Park is the principal attraction on St. John. Here, the fabulous beaches and rugged mountain

scenery give this small, thinly populated island a special charm all its own.

The semiarid tropical climate of the islands, with a temperature average of about 80 degrees, varies little between summer and winter. The heat of the tropical sun is tempered by the trade winds, and temperatures range from a low of 69 degrees in winter to a high of 91 degrees in the summer.

The tropical flora includes hibiscus, bougainvillea, flamboyant, oleander, poinsettia, African tulip, frangi pani, lignum vitae, and a host of other beautiful flowering trees and shrubs. Sea grape, mahoe, and mangrove line many of the shores, and the royal and coco palms find a naturally good environment. Native fruit trees include mango, soursop, lime, guava, sugar apple, avocado, papaya, genep, and mammee apple.

Stone, sand, and gravel provide local building materials, but there are no minerals of commercial significance.

Fish is an important ingredient in the native diet, but there is no large commercial fishing industry. Game fishing is a growing and exciting sport, with sailfish, tarpon, marlin, king fish, wahoo, Spanish mackerel, and tuna among the catches.

History

The trade winds which blow down from southwestern Europe and Madeira brought Christopher Columbus to Santa Cruz, now known as St. Croix, on his second voyage to the Western Hemisphere in 1493. There, he sailed into the estuary of Salt River in search of fresh water. Columbus also sighted St. Thomas, St. John, and the British Virgin Islands which he named "Las Virgenes" in honor of St. Ursula and the 11,000 virgins.

The warlike Carib Indians occupied the Virgin Islands at the time of Columbus' discovery, and their hostility defeated colonization until about 1555, when they were driven off the islands by the forces of King Charles V of Spain.

During the 17th century, France, England, Spain, Holland, and Denmark jockeyed for control of various islands in the West Indies. Sugar was the prize. The importance of this product at that time is indicated by the fact that Great Britain seriously considered whether to keep Canada or the French Island of Guadeloupe in the negotiations that ended the Seven Years' War in 1763.

In 1671 Denmark chartered its West India Co. and began colonizing St. Thomas and St. John. St. Croix was bought from France in 1733 and remained under Danish control, except for a brief English occupation during the Napoleonic Wars, until 1917.

Under Denmark's liberal trading laws and policy of neutrality, the Virgin Islands flourished. Charlotte Amalie became a famous Caribbean port and prospered in a booming trade with the New England States. Sugarcane plantations and windmills for grinding cane dotted all three Danish islands.

It is said that pirates, among them the notorious Captain Kidd, were given sanctuary and commercial privileges in return for sparing the islands from their depredations.

As a collateral to the sugar industry, slavery was introduced in the 1680's. Twice the slaves revolted. Once, after a bloody mutiny on St. John, they held that island for 6 months, until French forces were sent from Martinique to aid the Danes. Tradition says that the slaves ended their bondage by mass suicide, either by jumping from a cliff or shooting themselves on the rugged north shore of the island.

Slavery was abolished in 1848, and the commercial importance of the Virgin Islands diminished, as sugarcane became more and more a marginal crop compared with more competitive conditions in Cuba and elsewhere.

The United States first became interested in acquiring the Danish Virgin Islands during the American Civil War. A purchase agreement was negotiated, but the Senate refused to ratify it in 1870. To forestall German seizure and make available the St. Thomas harbor as a base for the U.S. Navy during World War I, a treaty for purchase of the islands for \$25 million was agreed upon in 1916 and ratified the following year. The United States assumed control of the Danish West Indies on March 31, 1917.

Government

The Danish system of government and legal code was continued from 1917 to 1931. Military, civil, and judicial power all were vested in the Governor appointed by the President. The islands were under the administration of the U.S. Navy, and all Governors appointed were naval officers.

When the United States purchased the islands, natives who were not citizens or subjects of other countries were given the status of "inhabitants of the Virgin Islands entitled to the protection of the United States." Then, on February 25, 1927, full American citizenship was granted them.

An Executive order of the President transferred jurisdiction over the Virgin Islands from the Navy to the Department of the Interior on February 27, 1931. The first civilian Governor was appointed at that time.

On July 22, 1954, the Congress enacted the Revised Organic Act, under which the Virgin Islands now are governed. Distinct executive, legislative, and judicial branches were designated.

Executive authority is exercised, under supervision of the Secretary of the Interior, by the Governor who is appointed by the President with advice and consent of the Senate. The Governor's responsibilities include execution of all local laws, supervision and control of all activities of the executive branch, appointment of officers and employees, including the commissioners of the executive departments. The seat of government is Charlotte Amalie, St. Thomas, and the Governor is represented by administrative assistants in St. Croix and St. John.

The Virgin Islands have a one-house legislature, composed of 11 senators, 2 each from St. Thomas and St. Croix, 1 from St. John, and 6 elected at large. Every bill passed by the legislature must be signed by the Governor before it becomes law. If the Governor's veto of a bill is overridden by a two-thirds vote of the senators, he then must either approve the bill or submit it to the President for final action.

Judicial power is vested in Virgin Islands municipal courts and in a Federal district court. The latter has certain local jurisdiction as well as authority in cases arising under Federal law. The district judge and district attorney are appointed by the President.

Finances and Taxes

The government of the Virgin Islands derives its revenues from local taxes and Federal excise taxes on goods manufactured in the islands and shipped to the United States.

About one-third of the total revenues come from income taxes under an act of Congress which provided that the Federal income tax schedules be applied as a local income tax in the islands. Another third comes from other local taxes such as property, gross receipts, trade and excise taxes, customs dues and license fees. Excise taxes collected in the United States on Virgin Islands products and returned to the local government as matching funds account for the remaining third.

Combined local revenues and matching funds provided an operating and capital budget of over \$20 million in fiscal 1963, as compared with \$17,400,000 in fiscal 1962.

In addition, the Virgin Islands participate in federally supported programs such as public housing, urban renewal, and various health and educational projects on much the same basis as the States.

Virgin Islands Corporation

The Virgin Islands Corporation is wholly owned by the Federal Government. It is the instrument through which a number of functions necessary to the islands are managed. VICORP's major activities are the growing of sugarcane, operation of a raw sugar mill, generation and distribution of electric power, land management and conversion of salt water to fresh in St. Thomas.

The objective of VICORP management is to make the Corporation self-sustaining. Previously, the Federal Government underwrote the losses. However, losses now are made up from the local government's matching funds. Since the main contributor to such losses has consistently been the sugarcane operations in St. Croix, it is planned to phase out this activity over a period of several years in favor of more economically sound operations.

In addition to public utilities and sugar production, VICORP has authority over several former military installations in St. Thomas which include the airport, several docks, hotels, factories and housing units, as well as the golf course.

Next to the government, VICORP is the largest employer in the islands. During the peak period in fiscal 1963, 1,187 persons were working for the Corporation, including 550 British West Indian cane harvesters.

Economic Development

Tourism, agriculture, and small manufacturing concerns are the main commercial factors in the economy.

Tourism has replaced rum production as the largest industry and now generates income for the islands of more than \$40 million per year. Agriculture still consists largely of growing sugarcane for the milling of raw sugar. However, programs for food crops, dairy, and meat production are being developed. For many years, raw sugar, rum, jewelry, and metal parts accounted for most of the shipments out of the islands, but in 1962, watches, watch movements, and woolen fabrics took the lead in commodities exported to the U.S. mainland.

The government has taken vigorous steps to attract stable, small manufacturing industries which would guarantee year-round employment at higher wages in order to attain a higher standard of living. Also under way is the building of an alumina plant in St. Croix at a cost of \$25 million, which will employ about 400 workers on a permanent basis when in full capacity operation.

Over 10 years ago, the local government inaugurated an industrial development program through the use of tax incentives. The enabling act for this program was revised in November 1961, to further attract and encourage private investment from the outside. Under this program, industrial concerns, hotels, guest houses, and housing projects may be granted tax exemption up to 10 years and the return of 75 percent of income taxes in the form of a subsidy. Also, some manufacturers take advantage of section 301 of the U.S. Tariff Act which permits duty free entry into the United States of items made in the Virgin Islands that contain not more than 50 percent of foreign raw material.

Population

The last official census of the Virgin Islands of the United States was conducted as of April 1, 1960. The report of that census showed a total population for all three islands of 32,099. The bureau of vital statistics now estimates the population as of the end of fiscal 1963 at 35,000.

Of the total given in the 1960 census, 15,930 were male and 16,169 female; 18,017 were residents of urban communities and 14,082 were rural; 8,892 were enrolled in schools. The total labor force was 11,334, of which 7,363 were male and 3,971 female. The percent of the civilian labor force unemployed was 3.4 percent or a total of 383.

Of the 32,099 persons listed in the 1960 census, 14,973 resided on St. Croix, 16,201 on St. Thomas, and 925 on St. John.

English is the traditional language of the islands. The people are religious and worship in churches which include Roman Catholic, Episcopalian (Anglican), Lutheran, Methodist, Orthodox Jewish, Moravian, Seventh Day Adventist, Pilgrim Holiness, Christian Mission, Dutch Reformed, and Baptist.

Health and Education

With per capita income the highest in the Caribbean, living conditions are approaching mainland standards. The climate eliminates the need for home heating and heavy clothing, thus contributing to good health. Housing, which was the No. 1 problem a few years ago, is steadily improving, with the building of both public and private modern projects.

Modern hospitals or clinics provide medical and surgical services to the three islands, and public health programs have been expanded to take care of school and family requirements.

The literacy rate is comparable to that of the mainland. The public school system goes from kindergarten through high school.

Upgrading of instruction, curriculums, and physical facilities is being expedited at all educational levels. In fiscal 1963, the College of the Virgin Islands opened its doors to its first freshman class and now offers the first local educational opportunity beyond the 12th grade.

Communications and Transportation

A modern dial telephone system now serves all three islands, and worldwide telegraph service is available. Radio and television stations provide popular programs, and there are several newspapers serving the islands.

Transportation to the Virgin Islands is mainly by airplane, except for cruise ship passengers. In the islands, cars, buses, and taxis are driven on the left-hand side as in England. Roads and streets are being steadily improved.

Highlights of the Year

The fiscal year 1962-63 saw the Virgin Islands move ahead in local application of the President's plans for economic, social, and cultural progress. A significant record of achievement was made through close cooperation of the Department of the Interior, the Congress, the Virgin Islands Legislature and the local administration.

While the progress was gratifying, it must be understood that the islands still have a lot of catching up to do. Problems continue to bear a strong resemblance to those of emerging, underdeveloped areas which too long have languished in the economy of bygone centuries.

In addition to the problems of catching up, the mixed blessing of accelerated population growth requires a projection of needs and advance planning, if the islands are to continue their forward motion. At year's end, the bureau of vital statistics estimated the resident population at 35,000. From 1950 to 1962, the rate of live births had increased by 16 percent and the death rate from all causes had decreased by 25 percent. When this growth rate is projected, it is apparent that the islands may have a resident population of 50,000 by 1970. Add to this the skyrocketing influx of tourists and alien workers, and the requirements become formidable for government services.

Fortunately, the economic growth of the islands promises to keep pace with the expanding needs. Revenues to the local government from all sources in fiscal 1963 totaled \$12 million as compared with \$11 million in fiscal 1962. Tax schedules were revised to increase receipts in future years, and steps were taken to strengthen collections.

Breakthrough in Housing and Community Renewal

On June 2, 1963, dedication of the Oswald E. Harris Court in St. Thomas dramatized the strides being made in public housing. This provided new dwellings for 300 families formerly housed in sub-standard structures. By year's end, more than 5,000 persons were living in 1,094 modern housing units built by Federal and local public funds. Forthcoming occupation of the Ralph de Chabert project in St. Croix will add another 264 units, and local government emergency housing now under construction will contribute 88 more apartments and houses in the next few months.

Stepped up response to housing needs was accomplished by two important organizational steps taken by the islands government. First, a department of housing and community renewal, with cabinet rank, was established at the beginning of the year to coordinate all housing programs and qualify the Virgin Islands for full participation in Federal aid. Second, the Virgin Islands Urban Renewal Board was set up and recognized by the Federal Government as the local agency for administering federally assisted slum clearance projects.

With establishment of the urban renewal board, comprehensive plans for demolishing the slums and relocating their residents in modern, sanitary housing were activated.

New College of the Virgin Islands

The summer of 1963 will long be remembered for the founding of the College of the Virgin Islands. As the fiscal year ended, the college was preparing to open its doors to the first class. Some 46 freshmen were expected to enroll as full-time resident students, and about 200 part-time students had indicated their intentions of taking courses.

Elementary and Secondary Schools

In the public elementary and secondary schools, the pressure of growing school population continued to cause a classroom shortage which was acute in some areas. However, the teacher-pupil ratio was reduced still further, and new classrooms either just completed or under construction will alleviate the overcrowding in the very near future.

Sitting in special session the last month of the fiscal year, the legislature approved a new pay plan for teachers and other professional personnel. The new plan will provide salary increases averaging \$849 per person and should go a long way toward making teaching jobs in the Virgin Islands more attractive to both local residents and teachers who must be recruited on the mainland.

The department of education was completely reorganized and operated under this new organization plan for the first time in fiscal 1963.

Following visits from three off-island teams of educators, it is confidently expected that two of the public high schools will be accredited in the very near future.

Health Conditions Continue Good

There was an overall improvement in mortality statistics in fiscal 1963 with a new alltime low reported in the death rate, and correspond-

ing record lows in infant, neonatal, maternal, and fetal deaths. The live birth rate increased to a new high of 38.8 per thousand, as compared with 34.7 the previous year.

Aside from a short-lived epidemic of diarrhea among children, there were no serious outbreaks of any kind.

Hospital and clinic facilities on all three islands were taxed by the expanding case loads. This was particularly true of the Knud Hansen Memorial Hospital in St. Thomas, where the census of general surgical and medical cases ran 104 percent of capacity, forcing the use of hallways and other service rooms as bedrooms. Toward the end of the year, however, funds became available for construction of separate quarters for house physicians and other changes which will add 16 new beds.

In St. Croix, transfer of the outpatient clinic from the main building of the Charles Harwood Memorial Hospital made way for extensive remodeling which will greatly improve services. Renovation and remodeling of the Calabash Boom Clinic on St. John was commenced. However, long-range solution of the problem of adequate facilities will only be achieved with the construction of new multimillion-dollar health centers now being planned for St. Croix and St. Thomas. Funds were provided for a survey of needs, planning and design of these facilities, with construction expected to be started within 5 years.

Renovation and remodeling of the old hospital buildings in St. Thomas made room for an expanding division of public health. The bureau of mental health was strengthened. A full-scale attack was launched on the growing problem of parasites, which school examinations revealed as affecting 40 percent of the children in the lower grades. Home care programs were augmented, and mosquito control efforts were redoubled.

Additions to the roster of specialists serving the department of health included an internist, orthopedic surgeon, radiologist, surgeon, obstetrician, pediatrician, anesthesiologist, and parasitologist, as well as two psychologists, a physical therapist, and a health educator.

Public Works Facilities

Highway and street improvements were made. Water and sewage disposal systems were extended. Garbage collection was increased fourfold. Also, the department of public works made general improvements in its responsibilities for maintenance and housekeeping.

Harbor and Airport Improvements

Transportation and tourism will benefit by spectacular improvements to the harbors of both St. Thomas and St. Croix.

At the year's end, the major part of the comprehensive improvement project for Charlotte Amalie harbor was nearing completion. When completed, the project will add 119 additional acres of usable deep-water harbor, approximately 50 acres of reclaimed land, and 3,300 feet of bulkhead waterfront for use by commercial and pleasure craft.

At Christiansted, a new \$1,107,000 dock will soon be ready for service. This dock is part of a long-range plan of waterfront improvement which will include a new waterfront highway and access streets to keep pace with the growing needs for traffic and cargo handling.

\$41 Million Tourist Industry

Industrial development and commerce were at a record high in fiscal 1963, with tourism leading the way with a total of \$41,000,070 brought into the islands. This is an increase of \$5,925,000 over the previous year.

Bank deposits also reached a new high of \$51,700,000 and bank loans shot up to a new record of \$32,200,000.

It is estimated that 331,000 visitors came to the Virgin Islands, as compared with 291,000 in fiscal 1962. One hundred and sixty-three cruise ships visited St. Thomas, 32 more than the previous year. In St. Croix, four cruise ships visited the new deepwater pier at Frederiksted. The department of commerce has made advance plans to attract as many as 40 cruise ships to this new facility in the coming tourist season.

Eight new manufacturing industries were established in the islands during fiscal 1963. Exports in 1962 scored a phenomenal rise to a total of 20,064,920, an increase of 119 percent over the previous year. Textile products, watches and watch movements, and rum were the chief exports.

Improved insular communications came with inauguration of the new dial telephone system on all three islands.

Throughout the year, there were strong indications that the steady commercial growth is only the beginning of a long-range development which will see the economy of the islands increase to many times its present size.

Food Crops Exported to Mainland

Efforts were expanded during the fiscal year to provide a more diversified and more profitable agricultural program, particularly on St. Croix.

Following the successful growing and exporting of cucumbers to a mainland pickle manufacturer, the department of agriculture is expanding production of food crops as a pilot project to interest island

farmers in such activities. Crops which can be grown and marketed very profitably include tomatoes, peppers, okra, papayas, and avocados.

The dairy industry on St. Croix now is a flourishing enterprise, and the department is fostering the development of a modern, fully inspected beef, mutton, and pork industry.

First Inventory of Government Property

During the year, the department of property and procurement completed the first physical inventory of government-owned property ever made. This will be kept as a running inventory, and full accountability has been established for the components.

In addition to its purchasing and property functions, the department began plans for establishing a new bureau of weights and measures in the near future.

Housing for Aged Project

The department of social welfare commissioned a well-known Swedish architect to draw up plans for a public housing facility for the aged in St. Thomas. These plans were so advanced and the project so experimental, that Federal authorities decided to undertake the development as a model for other communities.

Other improvements in care for the aged included an expanded program for the Herbert Grigg Home in St. Croix and appropriation of funds for an addition to the Queen Louise Home in St. Thomas.

Revenues at Alltime High

Revenues increased about 8 percent to a new alltime high of nearly \$12 million in fiscal 1963. To meet the ever-increasing cost of new government services and the new pay plan, an increase in the local gross receipts tax of from 1 percent to 2 percent was passed by the legislature. Steps were taken to reorganize the tax division of the finance department to strengthen enforcement of tax laws and facilitate collections.

Law and Public Safety

The new department of law functioned effectively in drafting legislation, preparing legal opinions, and representing the government in court actions. During the year, the attorney general and his assistants represented the government in 5,000 matters in the municipal courts, 21 in the district court and 2 appeals before the Circuit Court of Appeals for the Third Circuit.

An increased crime rate necessitated the development of new methods and techniques of crime detection and police action. Plans were made to add several new police specialists to the department early in the next fiscal year. A training program was conducted in conjunction with the Cincinnati (Ohio) Police Department.

New Election Code

The legislature passed a new election code, establishing primary elections, thus enabling the people to vote directly for candidates running for the territorial committees. This supplants the convention system which was dominated by small political clubs. The first election to be held under the new code was scheduled for November 1, 1963.

While aspirations for self-government had a temporary setback in the Congress, the local government continued strengthening its operations and training its officials for the time when greater autonomy will be granted.

Congressional Action Supported

The Governor and his administration concentrated much effort on preparing information needed by the Congress on several pieces of Federal legislation affecting the Virgin Islands in major ways.

In order to meet projected needs for health, education and public utility facilities, the local administration has sought from the Congress a law which will authorize the Virgin Islands Government to issue bonds for financing such projects. Also, an act which would enable the Federal Government to give title to the local government for certain submerged and reclaimed lands on the shores of the islands was sought. At year's end, favorable action on both of these bills was expected.

Congressional tightening of customs restrictions on purchases by American tourists abroad threatened to impair the growth of tourism, the No. 1 industry of the Virgin Islands. The local administration petitioned the Congress for preferred treatment, and the islands were granted the continuation of the special \$200 exemption for 9 months ending March 31, 1964. This was a temporary measure taken to give the islands government a chance to prepare a brief in support of its position. Such a brief was in process of preparation at year's end.

Industrial development of the islands was inhibited by proposed legislation and rumors of other bills to be presented which might reduce the advantages offered certain new industries to induce them to set up shop in the Virgin Islands. These bills concerned the provisions of section 301 of the amended Tariff Act of 1930, which allowed for products of the Virgin Islands to be imported to the U.S. mainland

duty free, so long as a minimum of 50 percent of the cost of such items was incurred by production expenses in the islands. Some question had been raised concerning possible abuses of section 301 and possible detriment to the mainland woolen goods industry. To protect against any such abuses, the legislature enacted a law which empowered the Governor to set quotas for various classifications of woolen yard goods produced in the Virgin Islands which would be taxed at the rate of only 1 cent per yard. This quota would be established at a level which would eliminate possible abuse or excessive use of the provisions of section 301. Any yardage above the quota would be taxed at the rate of 65 cents per yard. To facilitate application of this quota law, the Governor appointed a hearing board to investigate operations of the textile firms involved and recommended quotas. At year's end, substantial progress had been made in ironing out the problems of continued application of section 301 in the economic development of the islands.

Virgin Islands Corporation

The charter for the Virgin Islands Corporation expires in 1969 and, in all probability, it will not be renewed.

The Congress repeatedly has shown its unwillingness to provide funds for underwriting losses of unprofitable VICORP activities. Hence, these losses are now appropriated from funds that ordinarily would accrue to the local government for use in other public services. The local government is desirous of eliminating this burden and channeling the money eaten up by these losses into much needed health, education, and other critically needed facilities.

VICORP Sugar Operation

The operation of the sugar factory and collateral use of VICORP land for cane production in St. Croix has been a consistent money loser. The loss can be expected to cost the local government approximately \$400,000 a year, except under very unusual market years which do not recur more than once in a decade or score of years. During fiscal 1963, VICORP sugar losses, which must be made up out of the local funds for fiscal 1964, amounted to \$480,000. Federal authorities have decided, and the local administration agrees that these costly sugar operations must be phased out before the expiration of the VICORP charter.

To this end, 1,700 acres of land now used for sugarcane had been offered for sale by VICORP. Two responsive bids were received. The most attractive of the two was for transforming this acreage into citrus groves and establishment of a frozen orange juice plant. The

total investment would have been \$20 million, wholly financed by private capital. This proposal was opposed by the sugar interests, even though they did not see fit to bid for the land and continue its use for growing sugarcane.

Study revealed that the subsidized profits of private cane growers were concentrated in a relatively few hands, and the local government took the position that the VICORP sugar factory should be offered for sale so that the sugar operations could continue as a completely private enterprise. At year's end, steps for phasing out the VICORP sugar activity still were under consideration by the Board of Directors of the Corporation.

Power and Water Utilities

Although profitable, the operation of power-generating plants on St. Croix and St. Thomas and the sea water distillation plant on St. Thomas by VICORP have not been entirely satisfactory either to the Corporation or to the local government.

Lack of an appropriation to provide the necessary capital to expand the power-generating facilities to meet the ever-increasing needs of this fast-growing community has created a serious problem.

The Board of Directors of VICORP voted to sell the generating facilities to the Virgin Islands Government. These facilities were declared surplus and it was recommended that they be disposed of through the General Services Administration to the local government.

Legislation

To keep abreast of the legislative needs of the islands, five sessions of the legislature were held during fiscal 1963. In addition to the regular session of the Fifth Legislature, from January 14 to March 14, three special sessions of the Fourth Legislature and one of the Fifth were required.

Cooperation between the executive and legislative branches was good and resulted in a record of progressive legislation. At the special session called August 1, 1962, 10 bills were proposed and approved. These included five resolutions. At the October 5, 1962, special session, one bill was proposed and adopted. At the December 4, 1962, special session, three bills, including two resolutions, were proposed and approved. During the regular session, beginning January 14, 1963, 154 bills were passed, including 30 resolutions. Three bills were withdrawn, 4 incorporated in other bills, 41 referred to committees for further study, and 1 bill adopted by the Boy Scouts sitting as senators for a day had no legal effect.

There were 32 bills proposed at the June 17, 1963, special session. Twenty-six were adopted, including two resolutions; five were dropped and one rejected. Twenty-four of those passed were approved by the Governor and the remaining two required no executive action.

Office of the Government Secretary

Personnel: 40

Operating appropriation: \$297,894

The close of fiscal 1963 found all St. Thomas-based agencies of the office of the government secretary housed in the administration building. This was the culmination of a 2-year effort by the government secretary. It is now possible for persons to transact business involving the several agencies under the jurisdiction of this office without having to commute among three or four different and widely separated buildings as heretofore has been the case. Administratively, control of the many functions of the agencies of this office is greatly enhanced.

The activities of the year included the important function of compiling and publishing all legal documents for the government of the Virgin Islands, including supplements to the Virgin Islands Code, Virgin Islands Rules and Regulations, Virgin Islands Register, Virgin Islands Session Laws, and Slip Laws of the Virgin Islands.

The following table reflects the number of acts and resolutions which have been passed, approved and processed through this office during the past 5 years:

	1959	1960	1961	1962	1963
Acts.....	145	140	146	140	133
Resolutions.....	29	15	25	14	39

The number of applications for business licenses filed with this office continued to increase steadily. Surveys and on-the-spot inspections continued to be conducted in cooperation with the department of public safety to ensure coverage of all businesses by appropriate licenses.

The following chart shows a comparison of the licenses issued and fees collected over the past 5 years:

Licenses issued and fees collected

District	1959		1960		1961		1962		1963	
	Li-censes	Fees	Li-censes	Fees	Li-censes	Fees	Li-censes	Fees	Li-censes	Fees
St. Thomas and										
St. John.....	1,165	\$43,918.80	1,227	\$46,238.50	1,393	\$51,689	1,514	\$63,480	1,716	\$101,592.50
St. Croix.....	630	21,224.20	886	30,549.00	974	34,659	922	38,474	1,034	39,176.00
Total.....	1,795	65,143.00	2,113	76,787.50	2,367	86,348	2,436	101,954	2,750	140,768.50

The need for amending the existing licensing laws has become apparent with the ever-increasing number and variety of businesses being attracted to these islands, many of which are not covered by existing statute. Recommendations designed to correct this situation are being prepared for the Governor's consideration and possible presentation to the next regular session of the legislature.

Act No. 923, Fifth Legislature, approved January 25, 1963, provides that any person doing business in the Virgin Islands under any name other than his own, and every copartnership or association of individuals, except corporations, doing business in the Virgin Islands, resident or nonresident, shall file in the office of the government secretary a certificate setting forth the designation, name or style under which business is to be conducted, the location of such business, a brief description of the kind of business to be transacted under such name, and the true and real name or names of the party or parties conducting or intending to conduct same. Steps were taken to implement the provisions of this newly enacted legislation. As of the close of the fiscal year, 172 trade names were registered and fees collected for the filing of certificates of registration amounted to \$860.

Articles of incorporation were filed by 197 new corporations during fiscal 1963—24 foreign and 173 domestic—as compared with 183 during fiscal 1962. A total of 798 corporations now exist—682 domestic, 82 foreign, and 34 nonprofit. Renewed and intensified efforts continue to weed out those corporations which are delinquent in the payment of franchise taxes or otherwise fail to meet their legal obligations. As a result, 99 corporations were dissolved during fiscal 1963.

The following comparative table reflects the increase in corporate activity over the past 5 fiscal years.

Comparative table—Franchise tax and corporate fees

	1959	1960	1961	1962	1963
Filing fees, etc.....	\$7,006.00	\$12,306.09	\$11,874.49	\$12,458.34	\$13,179.00
Franchise taxes, including penalties.....	9,882.50	16,657.56	16,463.50	20,127.56	38,098.75

Comparative chart—Franchise tax corporate fees

[illegible]

Trademark and patent activity showed a decline in the number of registrations recorded. The following is a comparative table for the past 5 fiscal years.

	1959	1960	1961	1962	1963
Original registrations.....	16	18	12	24	24
Renewals.....	5	19	15	7	4
Assignments.....		2	6	8	6
Changes of name.....		8	2	6	2
Mergers.....		4	4	20	2
Design patents.....		4		1	1
Total actions recorded.....	21	55	39	66	39

Total fees collected for this activity during fiscal year 1963 amounted to \$1,005.

Fees collected covering trademark and patent activity

1959.....	\$407. 50
1960.....	1, 052. 50
1961.....	810. 00
1962.....	1, 302. 50
1963.....	1, 005. 00

During the fiscal year, 273 passports were issued, 60 were renewed, and 8 were extended, a total of 341 passport actions to compare with 237 for the last year. Passport fees amounted to \$2,762 for fiscal year 1963.

The maximum quota of 25 commissions of notaries public was subscribed to during the year.

At the end of fiscal year 1963, there were 69 insurance companies authorized to conduct business in the Virgin Islands, as compared with 61 companies last fiscal year and 47 the year before. There were 9 new registrants during the year as compared with 14 last year. Insurance agent's licenses issued during the year totaled 61, as compared with 68 last fiscal year and 47 the year before. The total of 61 include 11 newly issued licenses and 50 renewals. The following is a comparative table of taxes and fees collected for the past 5 fiscal years.

	1959	1960	1961	1962	1963
Renewal of certificates of authority and original registrations.....	\$1, 538. 50	\$1, 651. 00	\$1, 951. 00	\$3, 076. 00	\$3, 187. 50
Agent's licenses.....	1, 831. 00	1, 521. 00	2, 111. 00	2, 821. 86	3, 068. 22
Broker's licenses.....			100. 90		
Solicitor's licenses.....				200. 00	827. 53
Gross premium taxes.....	5, 079. 08	6, 602. 95	12, 316. 87	12, 784. 86	15, 015. 37
Filing annual statements.....	101. 00	98. 50	126. 00	151. 00	167. 50
Filing power of attorney.....	15. 00	15. 00	45. 00	145. 00	90. 00
Booklet of insurance laws.....			51. 00	61. 00	44. 00
Total.....	8, 564. 58	9, 888. 45	16, 700. 87	19, 239. 72	22, 400. 12

Title 18 of the Virgin Islands Code, as amended, placed on the government secretary the responsibility for the general supervision of the elections and the coordination of the activities of the boards of elections. The 1962 general elections saw 27 candidates competing for 11 seats in the Virgin Islands Legislature. Of a total of 12,301 voters registered in the Virgin Islands—6,129 in St. Croix; 5,819 in St. Thomas; 353 in St. John—a total of 8,794 persons cast their vote as compared with the 1960 general elections when a total of 7,659 persons cast their vote out of 10,678 registered voters. Subsequently, the Fifth Legislature of the Virgin Islands during its January 1963 regular session passed bill No. 1800 (Act 936), approved February 20, 1963, which repealed title 18 of the Virgin Islands Code concerning elections and enacted a new title 18. This bill provided, among other things, for a supervisor of elections, thus removing from this office the supervisory responsibilities over elections heretofore assigned. The following is statistical information regarding voting since 1958, the year the Virgin Islands Code was enacted.

Island	1958			1960			1962		
	Regis- tered	Voted	Percent	Regis- tered	Voted	Percent	Regis- tered	Voted	Percent
St. Thomas.....	4,752	3,742	78.7	5,092	3,908	76.7	5,819	4,278	73.5
St. Croix.....	4,651	3,284	70.6	5,253	3,508	66.8	6,129	4,218	68.8
St. John.....	357	226	63.3	333	243	73.0	353	298	84.4

Banking Board of the Virgin Islands

The steadily increasing economic development of the Virgin Islands has been attracting the attention of a growing number of banking interests. This fact is evidenced by:

- (1) Establishment during the fiscal year of branches of the First Federal Savings (one each in St. Thomas and in St. Croix).
- (2) Application from the Bank of Nova Scotia to conduct banking business in the islands. At the end of the fiscal year this application was pending final disposition by the board.
- (3) Inquiries from other interest banking institutions.

Sanitary Facilities

The acute housing shortage coupled with the depletion of the sanitary facilities fund have served to slow down the progress in the drive to eliminate the antiquated and objectionable night-soil removal system. During fiscal 1963, 24 loans amounting to \$48,516.12 were made for the construction of proper sanitary facilities. At the end

of the year there were 49 applications pending the availability of additional funds.

Board of Control of Alcoholic Beverages

The board of control of alcoholic beverages prescribed and enforced the regulations pertaining to the sale of distilled spirits. U.S. excise taxes on rum and other products contributed \$7,761,935 in revenues to the Virgin Islands Government in 1963 on the 741,260 proof gallons shipped in 1962.

Office of the Tax Assessor

Real property assessments and taxes have shown a remarkable increase between the years 1958 and 1962. The following detailed charts reflect the effect of the implementation of the real property assessment program.

Assessments and taxes, 1958-62

Island	Number of bills sent out	Assessment	Taxes
St. Thomas:			
1958.....	3, 776	\$15, 053, 900. 00	\$188, 173. 75
1959.....	4, 198	16, 846, 500. 00	210, 581. 25
1960.....	5, 377	28, 777, 774. 00	359, 722. 18
1961.....	5, 500	28, 098, 747. 00	351, 234. 34
1962.....	5, 744	30, 148, 342. 00	376, 854. 28
St. Croix:			
1958.....	4, 379	12, 329, 055. 62	154, 113. 20
1959.....	4, 651	13, 028, 298. 40	162, 853. 73
1960.....	4, 913	30, 568, 144. 00	382, 101. 80
1961.....	5, 100	28, 661, 753. 00	358, 271. 91
1962.....	5, 397	31, 078, 240. 00	388, 478. 00
St. John:			
1958.....	514	662, 700. 00	8, 283. 75
1959.....	532	642, 956. 00	8, 036. 95
1960.....	662	1, 846, 734. 00	23, 084. 18
1961.....	703	1, 981, 270. 00	24, 765. 88
1962.....	714	2, 119, 749. 00	26, 496. 86

Homestead exemptions and tax modifications

Island	Number of homestead exemptions	Number of modifica- tions	Amount of homestead exemptions	Amount of modifica- tions	Total in taxes
St. Thomas:					
1961.....	800	1, 651	\$20, 000. 00	\$35, 442. 00	\$55, 442. 00
1962.....	989	1, 378	24, 274. 31	23, 628. 88	47, 903. 19
St. Croix:					
1961.....	666	2, 500	25, 300. 00	63, 131. 64	88, 431. 64
1962.....	990	2, 188	31, 830. 66	42, 087. 73	73, 918. 39
St. John:					
1961.....	110	364	2, 500. 00	6, 600. 00	9, 100. 00
1962.....	120	368	2, 869. 75	4, 407. 07	7, 276. 82

Total assessments and taxes—St. Thomas, St. Croix, and St. John, 1958–62

	Assessment	Taxes before adjustment	Taxes to be collected ¹
1958.....	\$28,045,655.62	\$350,570.70	\$350,570.70
1959.....	30,517,754.40	381,471.93	381,471.93
1960.....	61,192,652.00	764,908.15	542,249.39
1961.....	58,741,770.00	734,272.13	581,598.49
1962.....	63,346,331.00	791,829.14	662,730.72

¹ See Act No. 768, 4th Legislature, 1st Special Session; Act No. 834, 4th Legislature, Regular Session; and Act No. 909, 4th Legislature, 6th Special Session; approved June 20, 1961, Mar. 15, 1962, and June 18, 1962, respectively. Act No. 768 limited tax liability for 1960 to not in excess of 25 percent more than tax liability for 1959, excepting improvements. Act No. 834 provided a homestead exemption of 3,000. Act No. 909 limited 1961, 1962, 1963, and 1964 taxes to 25 percent of the increased assessment over the preceding years, excepting improvements.

Office of the Recorder of Deeds

The following is a comparative table of documents recorded during the last 5 fiscal years.

Documents	Fiscal year 1959		Fiscal year 1960		Fiscal year 1961		Fiscal year 1962		Fiscal year 1963	
	St. Thomas	St. Croix	St. Thomas	St. Croix	St. Thomas	St. Croix	St. Thomas	St. Croix	St. Thomas	St. Croix
Deeds.....	477	426	448	480	426	441	583	676	547	718
Mortgages.....	384	269	327	325	360	383	349	403	535	501
Chattel mortgages.....	58	121	70	113	116	144	236	166	570	121
Conditional sales and installment sale contracts.....	572	-----	863	59	886	106	1,040	161	859	437
Cancellations and releases.....	230	233	220	240	216	401	235	352	356	383
Contracts of sale.....	-----	-----	-----	-----	-----	-----	12	-----	27	-----
Bill of sale.....	-----	-----	-----	-----	18	-----	11	-----	155	-----
Leases.....	17	-----	-----	-----	18	-----	43	-----	37	-----
Assignments.....	-----	-----	-----	-----	35	-----	7	-----	-----	-----
Liens.....	-----	-----	-----	-----	34	-----	91	-----	9	-----
Adjudications.....	14	10	18	8	24	15	21	30	31	19
Certificates of attachment.....	-----	-----	-----	-----	-----	107	-----	113	-----	45
Certificates of death.....	-----	-----	-----	16	5	8	2	10	11	23
Easements.....	30	-----	-----	-----	15	-----	3	-----	45	-----
Miscellaneous.....	176	119	116	119	86	132	97	297	171	295
Total.....	1,958	1,178	2,062	1,360	2,221	1,737	2,730	2,208	3,353	2,542

Industrial Incentive Program

The industrial incentive program as continued by Act No. 798 continued to attract industries to the Virgin Islands. Of particular significance was the enactment of Act No. 971, approved March 5, 1963, imposing a production tax on woolen yard goods produced and shipped by firms granted tax exemption certificates. As of June 30, 1963, there were 85 persons, firms, or corporations holding certificates of tax exemption and subsidies, comprised of 58 assorted small businesses and 27 hotels and guest houses which employed an estimated 2,250 employees with an average payroll of over \$3 million.

Department of Education

Personnel: 649

Operating appropriation: \$3,154,328

Under the guidance of a completely reorganized department, education made significant progress during the fiscal year of 1962-63.

The board of education adopted a statement of philosophy and objectives which set down broad guidelines for the department. This strategic statement affirmed that "the American system of free and universal education is the greatest safeguard of the freedom of the people and is the best guarantee of their social and economic well-being."

It recognized the rapid changes and the need for adaptation facing the islands, affirmed the fact that the community is committed by choice to the United States, and committed the school system to a large scale effort to conform its standards to those of the best educational systems on the mainland.

The teacher-pupil ratio was reduced substantially to a systemwide average of about 1 to 36. Although the classroom shortage continued, the problem was greatly alleviated by new construction and remodeling on all three islands, and plans were laid for further substantial additions to the school plants in the next fiscal year.

The quality of both instruction and curriculum were upgraded and collateral programs were expanded to provide the youth of the Virgin Islands with extracurricular activities comparable with progressive mainland communities.

As a result of progress made and plans for the future, it is confidently expected that two of the Virgin Islands public high schools will receive accreditation in the very near future.

Nonschool activities of the department also were enlarged to provide better public library service, expanded adult education opportunities, and improved vocational rehabilitation services.

Enrollment

The number of pupils in the public schools increased from 7,624 in fiscal 1962 to 8,201 in fiscal 1963, a rise of 7.57 percent. It is estimated that there will be an increase of 35 percent by fiscal 1968. The breakdown of enrollment from June 1959-63 is as follows:

	1958-59	1959-60	1960-61	1961-62	1962-63 ¹
Kindergarten.....	420	422	426	495	544
Grades 1 through 6.....	4,098	4,229	4,507	4,740	5,089
Grades 7 through 12.....	1,976	2,198	2,199	2,389	2,568
Total.....	6,494	6,849	7,132	7,624	8,201

¹ As of May 1, 1963, estimated enrollments indicate a 35 percent increase by 1968.

Personnel and Recruitment

In June 1963, at the recommendation of the Governor, the legislature approved a new pay plan for teachers and other professional personnel which will provide salary increases averaging \$849 per person. The new scale raises the minimum for holders of bachelor degrees from \$4,000 to \$4,600. Employees with master degrees will start at a minimum of \$5,400, instead of the previous floor of \$4,800. Ten pay increments of 5 percent each are also provided for those who qualify. It is expected that the new pay plan will greatly strengthen the recruitment program, as well as making jobs in education more attractive to incumbents who might otherwise be lured away by higher salaries.

During fiscal 1963, the department operated with a total of 730 authorized positions, of which 674 were filled as of the year's end. Authorized teaching posts were increased by 70. A number of administrative, supervisory, and auxiliary positions also were added. Several new jobs were authorized in the bureau of recreation to implement an expanded sports program, and one counselor was added to the bureau of vocational rehabilitation.

The unfilled positions were due to a shortage of classrooms and lack of qualified personnel. Nevertheless, improvements in recruitment were registered, and the teacher-pupil ratio was reduced substantially.

Construction Program

Steady progress was made in efforts to meet the need for more classrooms.

In September 1962, the modern 32-classroom Lockhart Elementary School in St. Thomas opened its doors to pupils and, in December, it was dedicated by the Secretary of the Interior.

Two three-classroom primary buildings were constructed by Peace Corps volunteers in the spring of 1963 as a part of the group's technical training for building similar schools in Africa.

By the end of the school year, an additional three new elementary classrooms and nine new vocational classrooms were nearing completion in St. Thomas.



A seagoing schoolbus carries some 50 high school pupils and teachers from St. John to St. Thomas. Above, some of the boys are seen on the foredeck enjoying their daily cruise across waters once sailed by Sir Francis Drake on his historic expedition against Puerto Rico.

In St. Croix, bids were invited for eight classrooms to be added to existing schools. Plans were nearing completion for an eight-classroom elementary school to be built at Grove Place. Under construction by year's end were one shop each and one gymnasium each at Claude O. Markoe School in Frederiksted and Christiansted High School.

In St. John, a second floor of four classrooms was added to Sprauve School.

At the close of the year, contracts were awarded for 10 general purpose classrooms, a gymnasium, and a music suite consisting of a band room and a choral room at Charlotte Amalie High School.

Curriculum and Instruction

With reorganization of the department, a division of curriculum and instruction was established. For the first time, instructional programs were placed under the supervision of specialized bureaus of elementary education, secondary education, pupil personnel services, school library and instructional materials services, and research.

Competent professional staff was employed to direct the activities of the new division and its component bureaus to coordinate curricu-

lum development, step up the inservice training program, and improve administrative and supervisory activities.

New textbooks were selected and purchased. Report cards were revised. Promotion policies were modernized. A social studies framework was created for grades from kindergarten through the senior year of high school. A modern mathematics program was initiated. A Spanish program for fifth and sixth grades was planned for the coming year, as was a pilot program for the mentally retarded. An elementary course of study was drafted. Fine arts programs were expanded in all high schools. A central audiovisual service was inaugurated. Counseling and testing programs were intensified, and secondary school curriculums were expanded and improved by master scheduling.

At the request of the history committee of the department, a project was instituted to write a textbook to be used in teaching history of the Virgin Islands. The text was completed and published.

Survey of Public Education

New York University agreed to conduct a survey for evaluation and analysis of every aspect of education in the Virgin Islands and to make recommendations for future growth and development.

Following close on the heels of a 2 year "crash program" of educational improvement, this survey is expected to be of tremendous value for advanced planning. A report of findings and recommendations is expected by December 1, 1963.

Accreditation of Secondary Schools

A program to achieve accreditation for the islands' secondary schools was launched in fiscal 1962 and continued during the past year.

After a year and a half of local preparation and self-evaluation, three teams of off-island educators came to the Virgin Islands to evaluate the secondary schools in March 1963. Subsequently, they reported their findings to the Secondary Commission of the Middle States Association of Secondary Schools and Colleges.

The evaluation reports commended the progress of the schools in many areas and made recommendations for improvement. As progress continues, Virgin Islanders may look forward to accreditation of two of their high schools in the very near future.

Unification of School System

Geographical and other differences in the makeup of the three U.S. Virgin Islands have fostered a historical separation of their schools.

To overcome this and coordinate the programs of all the schools, a comprehensive program of insular communication was inaugurated.

As part of this program, teachers, supervisors, principals, and other administrators traveled between islands regularly to meet and discuss systemwide problems. Special projects such as report card revision, textbook selection, and review of promotional policies were mutually agreed upon through study by interisland committees.

Auxiliary Services

The school lunch program, which provided free lunches to some 7,000 pupils daily, continued to be one of the most successful auxiliary services. This program assures that every Virgin Island boy or girl of school age can obtain at least one healthy, nutritious meal each day.

The school lunch program operates with a staff of 110 people on a budget of \$364,827.

To improve the service, two summer workshops were held for the employees during the year, and principals were placed in charge of the lunch program in their respective schools.

From September 1962 through May 1963 a total of 1,043,837 meals were served at a cost of \$273,630.69.

During fiscal 1963, transportation was provided to a daily average of 1,522 pupils on all three islands. The department does not operate its own schoolbus system, but pays commercial bus companies on a contract basis for the service. For the past fiscal year, this service cost \$101,226. As the demand for expanded schoolbus service increases, the department is studying the desirability of a department-operated system. It is estimated that such a system would reduce the cost of pupil transportation by one-third after the initial cost of equipment has been met.

Sports and Recreation

Sports and recreation both within and outside the school system received new impetus from the appointment of a sports promoter in the department. The first track meets held in the islands for many years were received with enthusiasm. Promotion of other major sports, involving many more participating athletes, kindled new community interest and revitalized organized athletics. The return of a highly qualified Virgin Islander to the post of recreation chief toward the close of the year is expected to give a new lift to sports and recreation on all three islands.

Vocational Education and Out-of-School Training

A program of vocational training in each of the three high schools met with increasing popularity with the students, as did adult classes. The year saw the largest number of vocational graduates since vocational education was introduced into the islands. It was significant that three of the top six students in the graduating classes were vocational students, and several others walked away with other honors.

The first inschool training in hotel service was started during the year, and retail sales courses were reintroduced. Both these programs went very well and are expected to provide a more efficient pool of talent for the Virgin Islands tourist industry.

The boys in the vocational program at Charlotte Amalie High School completed a two-bedroom cottage which was begun as a part of classwork 2 years ago. This cottage will be used as a home economics laboratory as part of the training facilities for the community's future homemakers.

In cooperation with the Virgin Islands Employment Service, projects were planned for programs to be initiated under the manpower development and training act. Pilot projects were designed for St. Thomas. Courses progressing satisfactorily are for training of nurse-aid-ambulance-attendant and clerk-typist. Classes meet Monday through Friday, 4 hours per night for a stipulated maximum number of hours. Upon completion of the programs, each student will be given a certificate and be referred to the employment service for job placement.

Vocational Rehabilitation

Financed jointly by Federal and local funds, the bureau of vocational rehabilitation offers services to physically handicapped adults.

During fiscal 1963, there were 121 cases in referred status. Of these, 29 were accepted for service, leaving a total of 92 still in referred status. Of an active case load of 82, 32 were closed as rehabilitated. They were placed in jobs suitable to their interests and abilities. One case was closed before rehabilitation could be completed. Of the 49 cases in active status, 10 were ready for employment and 4 were working.

The sheltered workshop in St. Croix continued successful work with the severely disabled and aged. Fifteen clients are working in the shop, and the demand for items they make far exceeds the supply.

Public Libraries

Three public libraries are administered by the department of education through its bureau of libraries. During fiscal 1963, they served more visitors and circulated more books than in any previous year.

The number of calls by adults increased from 6,250 to 7,000, and visits by juveniles rose from 13,500 to 15,000. Total circulation increased from 41,563 to 85,345.

Business and Auxiliary Services

The division of business and auxiliary services provided logistic support for the educational programs of the department. Though limited by personnel problems, this division carried on its work in four major areas: (1) business and accounting section, (2) property and procurement section, (3) school lunch program, and (4) auxiliary services, maintenance, and transportation.

Budget

The department of education enjoyed the most adequate budget it has ever had in fiscal 1963. The total available for operations amounted to \$3,478,299.13.

The breakdown of local and Federal contributions for operations follows:

A. *Virgin Islands appropriation—Fiscal year 1962-63:*

<i>Division</i>	<i>Appropriation</i>
Administration.....	\$266, 600. 00
Educational programs.....	2, 574, 881. 00
Community programs:	
Public recreation.....	194, 333. 00
Public libraries and museums.....	99, 764. 00
Vocational rehabilitation.....	18, 750. 00
Total.....	3, 154, 328. 00

B. *Federal matching funds and grants—1962-63:*

<i>Activity</i>	<i>Amount</i>
National Defense Education Act (Titles III, VA, and X) ..	\$59, 181. 62
Vocational education.....	55, 406. 50
Rural libraries.....	6, 382. 00
School lunch.....	48, 917. 00
Special Federal grant (874).....	108, 841. 00
Vocational rehabilitation.....	45, 243. 01
Total.....	323, 971. 13

C. *Total funds available—1962-63:*

Virgin Islands appropriated funds-----	\$3, 154, 328. 00
Federal matching funds and grants-----	323, 971. 13
	<hr/>
Total-----	3, 478, 299. 13

5-year comparisons

1958-59-----	\$1, 428, 860
1959-60-----	1, 858, 807
1960-61-----	2, 142, 812
1961-62-----	2, 574, 418
1962-63-----	3, 154, 328

College of the Virgin Islands

Following enabling legislation early in 1962, the board of trustees took office in August of that year and, in September, appointed the institution's first president.

The fiscal year 1962-63 was a period of organization, culminating at year's end in a fully staffed institution, ready to open its doors to the first class. The new president arrived in St. Thomas in January 1963, and took over the job from an interim administrator who had been doing the preliminary work of preparing the campus site at facilities formerly occupied by a U.S. Marine Air Detachment.

Faculty and other staff members were recruited. Two buildings were renovated to serve as classroom-administration building and provisional student center. In less than 6 months, the college administration, with the help of various government and private agencies and broad public support, was ready to receive the first class. Indications were that there would be about 45 full-time freshmen and some 200 part-time students for the first term.

Half the college's faculty holds Ph. D. degrees from leading universities. The curriculum has been worked out on a basis that will make credits acceptable to leading colleges and universities when transfer is made. It is expected that a number of the top mainland institutions soon will grant such recognition.

Development Program Beginning

Plans for the college's second year call for a full-time enrollment of 100, a faculty doubled in size, an expanded evening program, and the completion of a new dormitory and a library designed for 80,000 volumes. The third new building scheduled for erection is a community cultural center, which will contain a variety of facilities for instruction and performance in the arts.

From its beginning, the board of trustees of the college has been committed to the idea of a college which will serve both the needs of the Virgin Islands and appeal to students from abroad—particularly the continental United States, other Caribbean islands, and Africa. Through such an intercultural educational community, it is felt that the most productive climate for higher learning can be created in the Virgin Islands.

At present, the college offers 2-year transfer liberal arts programs in science and mathematics, engineering, teacher education, social science, and the humanities. It also offers 2-year terminal occupational programs in business management, accounting, hotel and resort operation, executive secretarial studies, electrical and electronics technology, and construction technology; nursing will be added next year. The college grants the associate in arts degree.

Four-year Courses Soon To Be Offered

While believing that these 2-year programs will provide the soundest basis for the college's establishment, the board is also planning to extend one or more of the curricula to 4-year status at an early date. Because of the critical need for better preparation of teachers in the Virgin Islands and the Caribbean, the program in teacher education is the first one to be considered for such advancement, now projected for 1964-65.

Among the program goals of the college, two are especially worthy of note. The college plans to establish a Caribbean Affairs Institute within the college's first year and expects to appoint its director shortly. The institute would undertake sponsored research on Caribbean problems, coordinating its activities with related research undertakings at the University of Puerto Rico and the University of the West Indies. Another project scheduled for early development is an international training center. The center might devote itself, among other activities, to the training of staff and field administrators for community development programs. The first phase of this development took place during January and February of 1963, when the college played host to a large Peace Corps group preparing for a school-building assignment in Gabon, West Africa.

The successful establishment of the first institution of higher learning in the Virgin Islands promises to enrich greatly the most important resource of the territory—its people.

Department of Health

Personnel: 586

Operating appropriation: \$2,991,843

The state of health for the year was generally good, except for a short-lived epidemic of diarrhea affecting about 130 children in St. Thomas during February and March. There were no other serious outbreaks of any kind. There was an overall improvement in mortality statistics, with the death rate reaching a new low of nine per thousand population. The infant death rate was 29.1; neonatal death rate, 20.4; maternal death rate, 0; and fetal death rate, 35.6. There was an increase in live births from 1,194 in 1961 to 1,375 in 1962, raising the birth rate from 34.7 to 38.8 per thousand population.

Services were expanded and improved, as new additions were made to the staff. An internist, orthopedic surgeon, and assistant obstetrician were added in St. Thomas. Toward the end of the year, a radiologist, surgeon, obstetrician, pediatrician, and anesthesiologist were added in St. Croix. The house staff on each island was increased. In public health, a school psychologist and a regular psychologist joined the bureau of mental health. A parasitologist was added to strengthen the attack on parasitic infection. The home care program was augmented with the services of a physical therapist, and a health educator was added to meet an urgent need in the field of maternal child health and crippled children. Increasing needs for departmental services were felt in almost every facet of work, as exemplified by an increase of 14.5 percent in surgical operations at Knud Hansen Memorial Hospital in St. Thomas.

Significant improvements and extension in program were achieved. The cancer detection program was intensified. Clinics were organized to mount a full-scale attack on parasitic infection. The school health examinations were completed. A team from Columbia University wound up its project for standardization of intelligence tests in the Virgin Islands. An inservice training program was conducted in public health, and plans were made for inservice training of sanitarians in July 1963 and July 1964. Seminars in the care of premature infants were held by a staff member of the Cornell University Medical School. Nurses for maternal and child health and crippled children's services were trained at Teachers College of Columbia University. The operating room supervisor of the St. Thomas hospital took a refresher course at Grace New Haven Medical Center.

Hospital and clinical facilities were expanded and improved. The new laboratory was occupied at the Charles Harwood Memorial Hospital in St. Croix, providing a significant improvement in that service. Extensive remodeling at that hospital made space for a new pediatric service, with attached play area, in the former outpatient area. The emergency room and X-ray division were completely renovated and modernized. By the close of the year work had been almost finished on additions to cistern capacity, cold storage facilities, solarium, and supply areas.

In St. Thomas ground was broken for new quarters for the hospital's house physicians, and installation of a new high-pressure boiler was begun. Work was also started on complete remodeling and reassignment of third floor areas to provide extra beds for the hospital's general surgical and medical patients.

Plans were initiated and an appropriation was made for studies leading to the design of modern new health facilities including a 200-bed hospital in St. Thomas and a 200-bed hospital in St. Croix.

In St. John, a complete renovation and remodeling of the Calabash Boom Clinic was started, and final plans were made for new nurses' quarters.

To improve public health facilities, the clinics at French Town and Dorothea in St. Thomas and at Grove Place in St. Croix were thoroughly remodeled. Also, on St. Thomas, additional remodeling of the old hospital buildings provided more adequate space for such programs as nutrition, mental health, and parasitology.

Vital Statistics for 1962

Once again, a new live birth record was established. The calendar year of 1962 welcomed a total of 1,375 infants. This was an increase of 181 over the previous record of 1,194 in 1961. The birth rate was 38.8 per 1,000 estimated population. St. Thomas was the chief contributor to the population, with 776 live births as against 661 in 1961. For St. Croix, the total was 559, compared with 505 in 1961. In St. John, 40 live births was the highest for that island since 1919 and a marked increase over the 28 reported in 1961. Twenty-four births to St. John mothers occurred in St. Thomas but were credited to St. John.

In St. Croix, 95.3 percent of all live births occurred in hospitals; in St. John, 97.5 percent; in St. Thomas, 99.4 percent. The figure for all three islands was 97.7 percent.

In 1962, the number of deaths decreased for the second straight year. There were 321 deaths for a rate of 9 per 1,000 estimated population, the lowest on record for the Virgin Islands. In 1961, there were 326 deaths for a rate of 9.5. In St. Croix, there were 155 deaths

for a rate of 9.8, a decrease from 1961 when there were 164 deaths and a rate of 10.6. In St. John, there were 10 deaths in both years, with a rate of 10.3 in 1962 as compared with 10.5 in 1961. There were 156 deaths in St. Thomas, with a rate of 8.4. This was a slight increase over the 152 deaths in 1961, but the rate remained the same—8.4.

Of deaths in the Virgin Islands, 25 were nonresidents, 8 occurring in St. Croix, and 17 in St. Thomas.

For the Islands, 45.8 percent of all deaths were of persons 65 or more years old. The figures for St. Thomas and St. Croix were 41.6 percent and 51.6 percent respectively.

Age distribution by percentage of total and leading causes of death follow:

Age distribution

	Virgin Islands		St. Croix		St. Thomas and St. John	
	Total	Percent	Total	Percent	Total	Percent
Total.....	321	100.0	155	100.0	166	100.0
Under 1 year.....	40	12.5	14	9.0	26	15.7
1 to 4 years.....	14	4.4	7	4.5	7	4.2
5 to 14 years.....	4	1.2	0	0	4	2.4
15 to 24 years.....	14	4.4	10	6.4	4	2.4
25 to 44 years.....	31	9.7	13	8.4	18	10.8
45 to 64 years.....	70	21.8	30	19.4	40	24.1
65 to 74 years.....	55	17.1	30	19.4	25	15.1
75 years and over.....	92	28.6	50	32.3	42	25.3
Age unknown.....	1	.3	1	.6	0	0

Leading causes of death—Virgin Islands

	Number	Rate ¹	Percent of all deaths
Diseases of the heart.....	83	234.3	25.9
Malignant neoplasms.....	33	93.1	10.3
Cerebral hemorrhage and other vascular lesions affecting central nervous system.....	32	90.3	10.0
Certain diseases of early infancy.....	24	67.7	7.5
Accidents.....	16	45.2	5.0
Arteriosclerosis.....	15	42.3	4.7
Pneumonia.....	15	42.3	4.7
Diabetes mellitus.....	13	36.7	4.0

¹ Rate per 100,000 estimated population.

A marked reduction in infant mortality was registered for 1962. Forty infant deaths established a rate of 29.1, as compared with 50 infant deaths and a rate of 41.9 per 1,000 live births in 1961.

For St. Croix, there were 14 infant deaths and a rate of 25.0 as compared with 21 infant deaths with a rate of 41.5 in 1961. St. John reported no infant deaths in 1962. In St. Thomas, there were 26 infant deaths with a rate of 33.5. This was a slight improvement over 1961 when there were 28 infant deaths and a rate of 42.3. The leading causes of infant deaths for the Virgin Islands were as follows:

	Number	Rate ¹	Percent of total
Asphyxia and stelectasis.....	10	7.3	26.0
Pneumonia (all forms).....	9	6.5	22.5
Prematurity.....	6	4.4	15.0
Congenital heart disease.....	5	3.6	12.5

¹ Rate per 1,000 live births.

Of the 40 infant deaths, 28 or 70 percent were neonatal deaths in 1962, as compared with 31 or 62 percent in 1961. St. Croix accounted for 8 neonatal deaths, or 57.1 percent of the infant deaths on that island, while St. Thomas had 20, or 76.9 percent of infant deaths.

There were 49 fetal deaths in 1962 for a rate of 35.6 per 1,000 live births. This compares with 50 and a rate of 41.9 in 1961. In St. Croix, there were 20 fetal deaths, and in St. Thomas 29 fetal deaths with a rate of 37.4 per 1,000 live births.

Of fetal deaths reported, five were fetuses under 20 weeks gestation, and three with gestation period not stated.

There were no maternal deaths reported in 1962.

In 1962, there were increases in both marriage and divorce figures. There were 422 marriages, compared with 397 in 1961. There were 180 divorces for 1962, as against 152 for 1961. No annulments were reported in 1962.

Of the marriages dissolved, 75 or 41.7 percent had been performed in the Virgin Islands.

There were eight adoptions in 1962, compared with three in 1961.

Population estimates for health statistics are based upon natural increase. Account was taken of the fact that the U.S. Immigration and Naturalization Service reported approximately 3,500 to 4,000 contract workers in the Virgin Islands on July 1, 1962. Most of these were included in earlier estimates, and it is assumed that the additional ones more than compensate in number for people who leave the islands.

For the Virgin Islands, the estimated population is 35,430; for St. Croix, 15,878; for St. John, 968; for St. Thomas, 18,584.

Printing and Graphic Section

The photographic darkroom of this section was completely equipped and air-conditioned. A total of 369 jobs were processed, of which 309 were for the department of health, 21 were for other governmental agencies, and 39 were community projects.

Health Scholarships

The nursing education scholarship committee granted awards to 14 former students of the high schools of the Virgin Islands, totaling \$18,740.

Division of Hospitals and Medical Services

St. Croix

The Charles Harwood Memorial Hospital in Christiansted and the Ingeborg Nesbitt Clinic in Frederiksted handled a total of 2,549 admissions resulting in 22,721 inpatient days. The heavy workload long evident in St. Thomas now exists in St. Croix. However, an aggressive effort was made to step up recruiting and budget for the employment of additional staff, both professional and subprofessional. At year's end, arrangements had been completed for employment of a radiologist, surgeon, obstetrician, pediatrician, and anesthesiologist for the medical staff in St. Croix.

At this writing, final plans are being made for the addition of a 12-bed unit to the clinic in Frederiksted and the erection of a combined maintenance shop and motor pool facility to accommodate activities now temporarily crowded into the ground floor of the Christiansted hospital.

St. Thomas

The Knud-Hansen Memorial Hospital in St. Thomas admitted 3,455 patients during fiscal 1962-63, the largest number of admissions in any year since its opening in 1953. Outpatient clinic visits, including both hospital and public health services, numbered 34,305. Visits to the emergency room reached an all time high of 9,271, while the emergency nursing staff administered some 28,916 treatments on orders of the full-time house physicians. The medical records room handled over 56,000 requests for patient records.

Plans for constructing a new surgical wing atop the hospital were abandoned when it became evident that this would not satisfy equally urgent needs for expansion and modernization of the auxiliary facilities. The medical and surgical ward added four beds by taking over the pediatric playroom. To further alleviate pressing needs, plans were drawn to construct a four-apartment building to house the house physicians on the hospital grounds. The long unused portion of the tuberculosis ward will be transferred to general service use, adding some 16 beds.

The hospital recorded 820 surgical operations, of which 387 were classified as major. The surgical staff includes three full-time surgeons, one ophthalmologist, and two surgical consultants. The orthopedic service was increased by the return of one doctor following training in orthopedic surgery on the mainland. With his return, a weekly orthopedic clinic on St. Croix was scheduled.

There were 50,649 laboratory examinations, all performed by one supervisor, two technicians, and one assistant technician. A qualified Virgin Islander was appointed laboratory supervisor during the year, and an additional medical technologist has been authorized.

Neuropsychiatric Services

The neuropsychiatric unit of the Knud-Hansen Memorial Hospital has had a thorough facelifting in its facilities and as a consequence has been able to render improved services along modern patterns. Improvements were made possible through cooperation and donations by private individuals and the St. Thomas Mental Health Association.

Approximately 800 outpatient clinics were held.

For inpatients, regular occupational therapy has been introduced by employment of a full-time occupational therapist. The new facilities and improved atmosphere of the recreational therapy unit have led to more diversified activities.

St. John

Services on St. John were expanded, with 6,100 visits recorded at the two clinics. House calls by the resident physician numbered 460. The clinic at Calabash Boom is undergoing extensive renovation to provide better facilities for that area. The problem of obstetrical service on St. John is being temporarily alleviated by health educational measures and personal appeals to the mothers to have their babies in the St. Thomas hospital. The St. John clinics are not staffed or equipped to provide 24-hour care of acceptable standards. Transportation will be improved with the delivery of a new ambulance in the fall of 1963.

Division of Public Health Services

Progress of public health services in any community depends upon improvement in many related fields such as housing, education, sanitation, and citizen attitudes toward health. Fiscal 1963 saw numerous improvements in these related fields.

A program of cooperation with the faculty of the Michigan University School of Public Health was carried on during the year. Groups from the division of public health services which benefited were health education, public health practice, nutrition, public health nursing, environmental sanitation, business administration, and medical social services.

Recently, the community has been afflicted by small outbreaks of entero-pathogenic *E. coli* infection. It has been noted that infants and children suffer symptoms of this infection, whereas infected

adults show no symptoms but probably become carriers. Major parasitic disorders such as ascariasis and amoebiasis are being attacked with a new parasitic control program. A full-time parasitologist has been employed. He works closely with clinic physicians and public health nurses to combat parasitic disorders through the team approach.

For several years, health problems affecting both the American and British Virgin Islands have been discussed widely in the Inter-Virgin Islands Conference. At the last meeting, a subcommittee was formed, consisting of members from the Department of Health of St. Thomas and Tortola and administrative officers of both islands. The committee reviewed the many basic problems involving immigration, immunization and emergency care of aliens. Special study was made of the problem created by the increasing number of alien maternity cases attended at Knud-Hansen Memorial Hospital in St. Thomas.

The public health services participated in a juvenile delinquency conference in close cooperation with the youth council. Several recommendations were presented for the psychological testing and evaluation of juveniles who show tendencies toward delinquency. Psychiatric services have been a regular part of this program.

Bureau of Health Education

The bureau has continued to stimulate interest in health matters among citizen groups. Areas stressed particularly during the fiscal year included accident prevention, screening for cervical cancer, "clean-up" activities, dental health, heart disease, immunization, intestinal parasite control, and periodic physical examinations.

The bureau responded to many requests from schools and other agencies for films and literature, particularly on dental health, nutrition, and venereal disease. Addition of another health educator, now assigned to the maternal and child health and crippled children's program, will help develop more effective health education services to the schools.

In addition to radio, television and personal presentations, the bureau has conducted film programs for the health department staff, other governmental agencies, schools, and civic groups.

Public Health Nursing

An increased load has been placed on the public health nursing staff by expanding programs such as the papanicolau screening program for cervical cancer control, the home care program and the

parasitology control program. Population shifts in the islands have necessitated substantial revision of nursing districts. The increase in field clinic sessions is making necessary further additions to the nursing staff.

A closer working relationship was developed with health education, mental health, medical social services, sanitation, social service, and child welfare. There has been marked improvement in referral of patients among these services, resulting in better care and solution of some mutual problems of long standing.

Bureau of Mental Health

One of the bureau's original goals was realized when standardization of psychological tests for the Virgin Islands was completed by a Columbia University team. The test project known as VISIT (Virgin Islands Standardization of Intelligence Tests) was a major project of the year. Another highlight was a cooperative program with Cornell University dealing with patterns of child development and personality structure of the Virgin Islands child.

In cooperation with the department of education, a mental health program was initiated in the schools. The bureau sponsored a series of group development seminars for staff members from the departments of education and health, as part of the mental health inservice training program.

Steps have been taken toward establishment of a diagnostic and treatment center for the mentally retarded. A census of retarded children has been maintained by the bureau for 4 years and case finding continues as a regular function of the clinic team.

The bureau of mental health entered into a contract with the College of the Virgin Islands to conduct research. One project will be a longitudinal study of the first class admitted to the college.

Bureau of Dental Health

Increased services of the bureau were made possible by addition to the staff of a dentist in Frederiksted, a dental assistant and a clerk-stenographer in St. Thomas. The clinic load shows a steady increase.

Administrative visits to St. Croix and St. John have helped to coordinate programs in the three islands. A survey was conducted at the Lockhart School, Lincoln School, Dober School, and Nisky School to determine the effect of fluoridation on the dental health of children who drank sodium-treated water. A definite beneficial effect in caries reduction rate was observed in children who drank the fluoridated water. A similar fluoridation project is recommended for the Christiansted elementary schools.

Bureau of Environmental Sanitation

Water supply, sewage disposal and substandard housing continued to cause the most troublesome environmental health problems during the 1962-63 fiscal year. More modern housing, both public and private, must be provided to facilitate slum clearance and eliminate the antiquated night-soil removal system.

A minimum of nine samples of water are collected weekly from the potable water systems of St. Thomas and St. Croix for testing. Individual water supplies of all business establishments, schools, and government buildings serving 50 or more people per day are batch chlorinated once a week. Samples for bacteriological analysis are taken from these systems regularly.

Milk now produced in the Virgin Islands is of good quality, with a standard plate count of less than 3,000 and a coliform count ranging from 0 to 3 per milliliter. Pasteurized milk also is imported from dairies in Puerto Rico, and St. Thomas now is receiving portions of its supply from St. Croix. Both milks are sanitary and of good quality as processed in the plants. However, refrigeration during shipment remains a problem.

Two hundred and eight restaurants, taverns, bars, hotels, and other eating and drinking establishments were routinely inspected in St. Thomas. Twenty-two were inspected in St. John and 116 in St. Croix.

Addition of new "packer" type trucks resulted in extension of the garbage and refuse collection service.

Maternal Child Health and Crippled Children's Services

The administrative staff of the division was expanded during the fiscal year to provide offices in Christiansted and Frederiksted on St. Croix and also on St. John. A full-time health educator also was added.

The services to premature infants were reviewed by a pediatric consultant from Cornell University, who conducted seminars on "New-born Care of Prematures" in St. Thomas and St. Croix. A doctor-nurse team was sent to the mainland to attend the Premature Institute at Cornell.

Most of the buildings used from clinic purposes underwent extensive repair and renovation, with new equipment added.

Service in specialty clinics was increased. Additional orthopedic clinics were established in St. Croix. Services of the orthopedist were increased from 12 to 18 sessions. The ophthalmology clinic in St. Croix was set up on a regular referral basis. Referrals for services not available in the Virgin Islands also increased over previous years.

School health examinations were conducted in selected grade throughout the islands, with followup services for defects found.

Information gathered at the biennial conference for maternal child health nurses held in California will be helpful in the local program which is expected to get underway soon. The division staff also took active roles in the conference held locally regarding this problem.

Division of Veterinary Medicine

The control and eradication of animal diseases constitute the prime responsibility of the division. Operation of the abattoirs in St. Croix and St. Thomas was transferred to the department of agriculture and labor during the fiscal year.

A program of brucellosis testing in St. Croix was completed, and it is expected that all three Virgin Islands now will be declared brucellosis free. At the moment, the State of New Hampshire is the only area under the American flag to be so designated. To keep the islands free of this disease, the following measures were taken: careful screening of imported cattle, ring tests on all milk samples quarterly, collection of blood samples from abattoirs, and periodic blood testing of all cattle. The Federal Quarantine Division has assisted in the inspection of animals imported from the British Virgin Islands. Numbers brought in during the year were 586 cattle and 1,440 goats and swine.

The dairy industry in St. Croix has shown amazing development. Production has exceeded 4,000 quarts a day.

Summary of vital statistics, Virgin Islands and each island: 1961 and 1962

[Birth and death rates per 1,000 population. Infant and neonatal death rates and fetal death ratios per 1,000 live births]

	1962								1961							
	Virgin Islands		St. Croix		St. John		St. Thomas		Virgin Islands		St. Croix		St. John		St. Thomas	
	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate
Live births.....	1,375	38.8	559	35.2	40	41.3	776	41.8	1,194	34.7	505	32.6	28	29.5	661	36.7
In home.....	32	1.2	26	1.4	1	2.5	5	1.0	37	13.1	24	14.8	8	128.6	5	10.8
In hospital.....	1,343	197.7	533	195.3	39	197.5	771	199.4	1,157	196.9	481	195.2	20	171.4	656	199.2
Deaths.....	321	9.0	155	9.7	10	10.3	156	8.4	326	9.5	164	10.6	10	10.5	152	8.4
Infant deaths.....	40	29.1	14	25.0	0	0	26	33.5	50	41.9	21	41.5	1	35.7	28	42.3
Neonatal deaths.....	28	20.4	8	14.3	0	0	20	25.8	31	25.9	10	19.8	0	0	21	31.7
Maternal deaths.....	0	0	0	0	0	0	0	0	1	0.8	1	1.9	0	0	0	0
Fetal deaths.....	49	35.6	20	35.8	0	0	29	37.4	50	41.9	18	35.6	2	71.4	30	45.4
Marriages.....	422	-----	169	-----	-----	253	-----	397	-----	142	-----	-----	-----	-----	255	-----
Divorces.....	180	-----	48	-----	-----	2132	-----	3152	-----	37	-----	-----	-----	-----	2115	-----
Adoptions.....	8	-----	0	-----	-----	28	-----	3	-----	0	-----	-----	-----	-----	23	-----

¹ Percent of total for home and hospital.

² Includes St. John figures.

³ Includes 1 annulment for St. Thomas.

Department of health statistical data for year ending June 30, 1963

	Charlotte Amalie	Christiansted	Frederiksted
Number of hospital beds.....	1 119	60	10
Number of bassinets.....	23	10	4
Maximum occupancy.....	135	57	18
Minimum occupancy.....	83	25	4
Average occupancy.....	88	51	11
Number of physicians.....	17	16	3
Number of graduate nurses.....	34	25	7
Number of practical nurses.....	29	16	4
Number of nurses' aides.....	35	28	4
Number of orderlies.....	9	5	-----
Stillbirths in hospital.....	28	26	3
Live births in hospital.....	784	595	188
Births out of hospital.....	12	31	12
Deaths in hospital.....	110	104	25
Deaths out of hospital.....	15	49	26
Patient days in hospital.....	37,388	18,545	4,176
Clinic visits.....	34,305	21,436	12,531
Number of emergency room visits.....	9,271	5,989	2,735
Major surgical cases.....	387	184	-----
Minor surgical cases.....	433	292	272
Number of X-ray examinations.....	6,448	2,665	544
Number of laboratory examinations.....	50,649	39,772	16,188

¹ Includes 56 beds for insular T.B. and N.P. patients.

Division of hospitals and medical services—Summary comparison of services and earnings, fiscal years 1961-63

	Total fiscal—		
	1961	1962	1963
Receipts for the year:			
Hospital collection offices.....	\$88,640	\$198,923	\$208,718
Payments for contractual services rendered Federal programs.....	-----	108,000	160,999
Payments based on statistical information.....	158,904	80,875	-----
Total receipts.....	247,544	387,798	369,717
Services rendered:			
Room and board.....	281,113	400,208	540,829
Surgical operations.....	24,090	30,315	31,498
Dental services.....	28,714	41,497	33,565
Drugs and medicines.....	58,268	49,955	59,104
Physiotherapy.....	1,109	1,078	5,322
X-ray services.....	23,716	29,157	21,459
Ambulance services.....	1,057	1,020	552
Laboratory services.....	43,893	75,853	63,730
Examinations.....	32,892	64,395	54,087
All other services.....	36,408	39,604	33,928
Gross earnings.....	531,260	733,082	844,074
Less free services.....	250,544	329,842	497,279
Net earnings.....	280,716	403,240	346,795
Less receipts (line above).....	247,544	387,798	369,717
Additions to accounts receivable.....	33,172	15,442	(22,922)

Virgin Islands Department of Health—Comparative statistical data

KNUD-HANSEN MEMORIAL HOSPITAL, ST. THOMAS

	1958-59	1959-60	1960-61	1961-62	1962-63
Number of admissions.....	2,978	2,878	3,078	3,388	3,455
Patient days in hospital.....	39,564	40,631	33,081	34,574	37,388
Number of clinic visits.....	28,372	19,934	20,703	23,017	34,305
Number of emergency room visits.....	4,441	5,720	7,616	7,949	9,271
Major surgical cases.....	271	263	274	320	387
Minor surgical cases.....	410	279	347	398	433
Number of X-ray examinations.....	-----	3,722	4,339	5,239	6,448
Laboratory examinations.....	-----	40,968	42,800	52,108	50,649
Number of physicians.....	10	11	10	12	17
Number of graduate nurses.....	25	14	28	26	34
Number of practical nurses.....	18	17	17	26	29
Number of nurses' aides.....	29	41	34	34	35

CHARLES HARWOOD MEMORIAL HOSPITAL, ST. CROIX

Number of admissions.....	2,069	1,976	2,208	2,185	1,998
Patient days in hospital.....	21,556	17,929	18,697	19,858	18,545
Number of clinic visits.....	19,366	14,323	15,789	11,196	21,436
Number of emergency room visits.....	-----	-----	-----	4,520	5,989
Major surgical cases.....	277	189	245	241	184
Minor surgical cases.....	198	-----	369	239	292
Number of X-ray examinations.....	2,146	2,497	2,629	2,872	2,666
Laboratory examinations.....	31,575	33,428	33,774	38,171	39,772
Number of physicians.....	7	6	9	9	16
Number of graduate nurses.....	22	23	24	27	25
Number of practical nurses.....	-----	8	7	17	16
Number of nurses' aides.....	-----	22	22	23	28

INGERORR NESBITT CLINIC, ST. CROIX

Number of admissions.....	708	592	608	644	551
Patient days in hospital.....	3,983	4,891	4,728	4,506	4,176
Number of clinic visits.....	9,877	7,923	10,188	10,443	12,531
Number of emergency room visits.....	-----	-----	-----	1,964	2,735
Major surgical cases.....	-----	-----	-----	-----	272
Minor surgical cases.....	-----	-----	-----	-----	544
Number of X-ray examinations.....	-----	-----	288	394	-----
Laboratory examinations.....	-----	-----	7,508	17,633	16,188
Number of physicians.....	2	3	3	3	3
Number of graduate nurses.....	8	7	7	8	7
Number of practical nurses.....	4	4	4	4	4
Number of nurses' aides.....	2	2	4	4	4

Department of Social Welfare

Personnel: 145

Operating appropriation: \$1,098,496

General

In the fiscal year 1963, the department made notable progress in its Federal and insular activities. There was an increase in scholarships for professional social work training. Plans were completed for securing Federal public housing funds for constructing an aided Self-Care Home for the Aged on St. Thomas. A master plan was developed for constructing cottages and improving the program of the Insular Training School on St. Croix. The department was ably assisted by the board of social welfare, and the aging and youth commissions.

The local public assistance program, however, is still hampered by the limitation of Federal participation to \$330,000 and of this amount \$18,750 can be used only for medical care to recipients of old-age assistance. Every effort should be made to have the Federal participation in the Virgin Islands program on the same basis as for the States.

Public Assistance

The outstanding achievement of the public assistance division has been the implementation of the Social Security Amendments of 1962. In accordance therewith titles I, IV, X, and XIV of the Virgin Islands State Plan on Prescribed Social Services were amended and approved to become effective July 1, 1963.

Caseload distribution by districts

Category	Caseload July 1, 1962		Added during year		Closed during year		Caseload June 30, 1963	
	St. Croix	St. Thomas-St. John	St. Croix	St. Thomas-St. John	St. Croix	St. Thomas-St. John	St. Croix	St. Thomas-St. John
DAA.....	312	214	37	37	60	44	289	207
ADC.....	214	85	51	42	55	57	210	70
AB.....	13	3	0	0	0	0	13	3
AD.....	57	38	3	5	5	2	68	41
GA.....	76	68	22	24	24	42	74	50
EA.....	0	0	25	41	25	41	0	0
Total.....	672	408	138	149	169	186	654	371

Comparison of caseloads and expenditures

	Number of persons aided		Expenditures	
	June 1962	June 1963	1962	1963
Old-age assistance.....	532	491	\$227,370.25	\$219,071.34
Aid to dependent children.....	1,043	1,032	205,507.85	209,929.68
Aid to the blind.....	16	15	6,499.00	6,382.25
Aid to the disabled.....	96	92	40,935.75	37,314.02
General assistance.....	144	160	56,449.41	63,015.43
Medical assistance to the aged.....	451	480	25,215.19	29,176.04
Total.....	2,282	2,270	561,977.45	564,888.76

Comparison of caseloads 1958-63

Number of persons	1958	1959	1960	1961	1962	1963
Old-age assistance.....	620	584	561	527	532	491
Aid to dependent children.....	785	777	922	865	1,043	1,032
Aid to the blind.....	21	20	19	19	16	15
Aid to the disabled.....	103	101	107	98	96	92
Total Federal categories.....	1,529	1,482	1,609	1,509	1,687	1,630
General assistance.....	128	118	107	124	140	160
Grand total.....	1,657	1,600	1,716	1,633	1,827	1,790
Medical assistance to the aged.....				288	451	480

A total of 319 applications for assistance were received during the year (St. Croix, 145; St. Thomas-St. John, 174) as compared to 502 received last year. Those rejected as ineligible totaled 74 as compared to 92 last year. Three hundred and fifty-five cases were closed compared with 390 cases last year and 287 were opened this year as compared with 421 last year.

Several new policies and procedures were developed during the year. In cooperation with the department of law, policies were developed for recovery of public assistance payments improperly received. Planning was underway at year's end to make a special study of the emergency and general assistance program during the next fiscal year and to explore the possibility of broadening policies to include needy children who are presently ineligible for ADC because of living in nonrelative homes.

By June 30, 1963, 480 persons had received benefits under the medical assistance for the aged program (St. Croix, 268; St. Thomas-St. John, 212) as compared with 288 persons in 1962.

Total cost of assistance program, including administration, 1959-63

Category	1959	1960	1961	1962	1963
DAA.....	\$199,824.92	\$200,763.47	\$222,690.29	\$265,529.05	\$258,920.32
ADC.....	151,113.88	182,509.79	213,981.57	256,519.50	262,120.81
AB.....	7,637.51	8,005.86	7,941.73	8,041.52	7,900.20
AD.....	36,684.08	41,357.30	47,308.70	47,049.87	44,354.38
MAA.....			11,523.76	44,540.86	46,047.07
Total Federal category.....	395,260.39	432,636.42	503,446.05	621,680.80	619,342.78
GA.....	49,911.84	49,092.69	60,047.77	76,655.70	89,681.51
Trust funds.....	586.00	822.00	716.00	1,132.75	1,180.75
Emergency and special aid.....	6,482.76	5,777.57	763.06	19,742.53	6,717.55
Total local category.....	56,980.60	55,692.26	61,526.83	97,530.98	97,579.81
Grand total.....	452,240.99	488,328.68	564,972.88	719,211.78	716,922.59

Sharing of total cost of assistance program including administration

Agency	1959	1960	1961	1962	1963
Federal.....	\$195,248.58	\$216,116.23	\$251,154.02	\$308,317.31	\$300,704.48
Local.....	256,992.41	272,212.45	313,818.86	410,894.47	416,218.11
Total.....	452,240.99	488,328.68	564,972.88	719,211.78	716,922.59

Child Welfare Services

The division places great emphasis upon providing individualized services that will promote security for children and help them to grow and develop in a normal manner. Primary emphasis is placed upon providing services to children living in their own homes. Adoption service, foster family care, and institutional care are provided for homeless, independent, neglected, or delinquent children. Day care is provided to children whose mothers must work to assist in supporting or to support the family. As a result of severe problems of juvenile delinquency, casework services to children started in 1943. The schools, the police, and courts were asked to refer to the department problems regarding children and to secure from the department studies and recommendations before taking final action about children's cases.

In 1963 casework service was provided to 1,130 children (St. Croix, 638; St. Thomas, 492), as compared with 906 last year and 736 the previous year. Below are tables showing the type of services and distribution of the caseload during the year.

Caseload distribution by district offices

	St. Croix	St. Thomas	Total
Children receiving service July 1, 1962.....	389	343	732
Children accepted for service during year.....	249	149	398
Children receiving service June 30, 1963.....	427	293	720
Total number of different children receiving services during year.....	638	492	1,130

Location of children receiving service June 30, 1963

	St. Croix	St. Thomas	Total
In home of parents.....	205	153	358
In home of relatives.....	64	19	83
In boarding homes.....	76	56	132
In free foster homes.....	28	9	37
In adoptive homes.....	2	23	25
In institutions.....	32	31	63
Juvenile center.....	9		9
Elsewhere.....	11	2	13
Total.....	427	293	720

Foster Family Care

The foster care caseload was 194 (St. Croix, 106; St. Thomas, 88), as compared with 188 (St. Croix, 99; St. Thomas, 89) last year. Twenty-five were in adoptive homes, 37 in free foster homes, and 132 in boarding homes. These children lived in a total of 46 (St. Croix, 25; St. Thomas, 21) foster homes. Expenditures for board payments increased to \$52,587.77 as compared with \$48,517.36 last year.

Insular Training Schools

The schools have continued to achieve heartening improvement in services and in child and staff morale. Care was provided for a total of 79 children (61 boys, 18 girls). Inservice training programs throughout the year focused on helping staff to better understand the youngsters' problems and to develop greater skills in treatment.

The department of education provided academic services to the schools through two full-time academic teachers. An average of 37 children attended classes at the institution while 25 attended high school in town. Thirteen children were promoted to the seventh grade; 24 of the high school students were promoted, 1 of whom received a ninth grade certificate.

The bureau of mental health provided limited psychological and psychiatric services to the institution. A physician was assigned on a part-time basis to provide regular physical examinations and immunizations to all the children. The health educator showed films and lectured to the staff and children on proper health care.

The boys' school provided care for a total of 61 boys (St. Croix, 29; St. Thomas, 32) with enrollment averaging 51 boys. The average age of boys in residence was 14 years. Nineteen boys attended high school in town.

The girls' school was at full capacity of 13 throughout the year and provided care for a total of 18 girls (St. Croix, 10; St. Thomas, 8). The average age of girls in residence was 15 years.

Detention Care

On St. Thomas, land was assigned for a youth care center. Construction plans will be completed early next year. A similar facility on St. Croix was included in the master plan for the training schools. Ten children received detention care in St. Thomas. The juvenile center provided care for a total of 21 boys (St. Croix, 19; St. Thomas, 2) with enrollment averaging 12 boys.

Other Services

During the year, the division processed 7 (St. Croix, 2; St. Thomas, 5) adoption petitions for the courts and completed 6 (St. Croix, 2; St. Thomas, 4) agency placements. The division screened 125 needy children (100 boys, 25 girls) for summer camp. The number of day care centers increased from 4 last year to 10 (St. Croix, 6; St. Thomas, 3; St. John, 1). An average of 72 children per month, as compared with 47 per month last year, used this service. The youth commission sponsored a Governor's Conference on Juvenile Delinquency in May and reactivated youth organizations on all three islands.

The child welfare program is summarized in the following tables:

Cost of child welfare program

	Insular	St. Croix	St. Thomas	Virgin Islands
Local funds:				
Child welfare services.....		\$9,353.70	\$11,112.07	\$20,465.77
Foster home payments.....		27,528.58	25,059.19	52,587.77
Insular training school—				
For boys.....	\$95,116.76			95,116.76
For girls.....	16,832.93			16,832.93
Day care centers.....		2,765.37	10,577.51	13,342.88
Total.....	\$111,949.69	39,647.65	46,748.77	198,346.11
Federal funds: Child welfare services.....	18,817.62	23,005.66	29,781.77	71,605.05
Grand total.....	130,767.31	62,653.31	76,530.54	269,951.16

Cost of child welfare program, 1959-63

	1959	1960	1961	1962	1963
Local funds:					
Child welfare services.....	\$12,970.82	\$16,976.96	\$24,295.74	\$26,349.87	\$20,465.77
Foster home payments.....	32,869.42	34,386.30	48,060.60	48,517.36	52,587.77
Insular training schools—					
For boys.....	66,293.77	67,265.29	81,014.53	106,574.09	95,116.76
For girls.....	13,898.29	16,271.45	19,037.51	17,718.97	16,832.93
Day care centers.....		3,374.95	11,980.51	12,344.55	13,342.88
Total.....	126,032.30	138,274.95	184,388.89	211,504.84	198,346.11
Federal funds: child welfare services.....	29,139.89	49,442.59	50,707.72	56,985.97	71,605.05
Grand total.....	155,172.19	187,717.54	235,096.61	268,490.81	269,951.16

Division of Institutions and Special Programs

Homes for the Aged

St. Thomas.—The Queen Louise Home, capacity 24 beds, provides custodial care for the aged and infirm. At yearend, there were 20 persons in residence. During the year, there were 11 admissions and 8 deaths and 1 person returned home. A nurse-aide was added to the staff and provisions made for better medical coverage.

The Corneiro Home is a shelter-care home, capacity 25 rooms. During the year there were 5 admissions, 1 death, and 3 persons moved, leaving a total of 28 residents at the end of the year. Several rooms were repaired during the year, but the buildings are still in poor condition and in need of major repair.

St. Croix.—The Aldersville Home is a shelter-care home, capacity 25 rooms. During the year there were 3 admissions, 1 death, 1 person moved and 1 transferred to a custodial care home, leaving a total of 28 residents. An overall improvement program was nearing completion at yearend.

The Herbert H. Grigg Home is a multifunction institution serving as a home for the aged, a residential facility, and a nursing home. There were 33 admissions, 17 deaths, 3 discharges, leaving a total of 118 residents. The morale of residents was vastly improved and greater emphasis placed on restoration of function, rehabilitation, and maintenance of a homelike atmosphere.

National recognition of our homes for the aged was accomplished by membership in the American Association of Nursing Homes.

Special Programs

Cancer Care.—It was necessary to continue to send Virgin Islands patients for care at the Puerto Rico Cancer League. During the year, five new cases in St. Croix and nine in St. Thomas were referred. For the first time, the program was financed completely by government funds. Expenditures amounted to \$8,480.45 as compared with \$7,219.25 last year.

Services to the Mentally Ill.—A limited amount of casework service is provided for mental patients hospitalized in the Virgin Islands while in institutional care and when being discharged. The division has full responsibility for planning and arranging the escort and re-

turn of mental patients from St. Elizabeths Hospital, Washington, D.C., where 133 such patients are hospitalized. Two patients were returned from St. Elizabeths and were provided after-care casework services.

Surplus Foods Distribution Program

Approval was received during the year to extend distribution to needy families who are ineligible for public assistance but who are in poor economic circumstances. Surplus commodities have been distributed to public assistance clients, hospitals, homes for the aged, baby clinics, and other institutions since the program's beginning in July of 1961. The overall caseload increased from 1,374 families representing 2,385 persons to 1,422 families representing 2,660 persons.

Federal surplus commodities received

Commodity	Pounds	Wholesale value	Retail value
Cornmeal.....	82,525	\$5,364.13	\$7,427.25
Wheat flour.....	86,606	5,629.39	7,794.54
Dry beans.....	56,058	7,848.12	11,211.60
Chopped meat.....	50,833 ¹ / ₂	22,366.95	33,042.08
Dry milk.....	118,350	23,670.00	75,744.00
Rice.....	105,437 ¹ / ₂	10,543.78	16,870.04
Butter.....	3,668 ³ / ₄	2,934.80	3,595.13
Cheese.....	44,365 ³ / ₄	24,401.03	31,055.85
Rolled wheat.....	57,987	12,177.27	17,396.10
Lard.....	18,552	3,710.40	4,638.00
Shortening.....	37,404	11,221.20	12,343.32
Total.....	661,787 ² / ₃	129,867.07	221,117.91

Community Chest

The 1963 drive was highly successful with the goal of \$15,000 surpassed by pledges and contributions totaling \$16,597.84.

The following is a summary of traditional chest services provided during the fiscal year:

Program	Cost	Services rendered
Housekeeping and laundry.....	\$2,597.93	2,648 cleaning, etc., 2,600 pieces.
Home nursing.....	4,486.24	Home nursing care for the aged under supervision of public health nursing division.
Emergency needs.....	1,835.00	Cash grants, emergency assistance loans, etc.
Special aid to patients in institutions.....	574.00	Monthly spending grants to residents of homes for the aged.
Homemaker service, St. John.....	347.82	Care for the aged.
Cancer care.....	3,143.00	Hospitalization, travel, and grants.

Expenditures

The growth of the department of social welfare may be summarized in the following chart which shows appropriations by the local legislature for social welfare over the past 5 years:

Operating budget—Local appropriations

	1959	1960	1961	1962	1963
Office of the commissioner.....	\$24,400	\$27,000	\$29,977	\$30,032	\$54,286
Bureau of business management.....	40,000	41,628	45,614	67,039	79,946
Division of public assistance.....	214,800	254,558	308,558	376,781	452,600
Division of child welfare.....	118,000	138,275	172,487	199,163	215,349
Division of institutions and special programs.....	40,000	70,600	91,030	192,142	121,545
Herbert Grigg Home.....					174,770
Total.....	437,200	532,061	647,666	865,157	1,098,496

Department of Commerce

Personnel: 79

Operating appropriation: \$936,079

Foreword

The economic growth and development of the Virgin Islands reached new heights in fiscal 1963, as revealed by all statistical indicators. The administration's motivating force to stimulate and expand this record growth is the department of commerce.

Principal divisions of the department are the visitors bureau, formerly the tourism division; the division of trade and industry, and the marine and aviation services division. The department also operated the Virgin Islands News Bureau in fiscal 1963. However, at year's end, the functions served by this bureau were transferred to a newly authorized Virgin Islands Government News Bureau which operates under the office of the Governor to coordinate all news and public relations activities of the government.

The department of commerce maintains government information centers at Rockefeller Center in New York City and in Old San Juan, Puerto Rico. Also, this department is responsible for advertising and promotion of the Virgin Islands rums, and the commissioner is chairman of the Virgin Islands Rum Council.

The commissioner of commerce also serves as liaison officer to the U.S. Travel Service in Washington and as Administrator for the Virgin Islands of the Area Redevelopment Administration of the U.S. Department of Commerce. He also is chairman of the Economic Development Board of the Virgin Islands and a member of the standing committee of the Caribbean organization.

That the accelerated program for development is achieving excellent results is revealed in the following record high statistics.

Tourism Leads in Record Economic Growth

Tourist expenditures reached an alltime high of \$41,070,000 as compared with \$35,145,000 in fiscal 1962 and \$25,817,000 in fiscal 1961. The increase in tourist expenditures of \$15,253,000 in the past 2 fiscal years is more than the total tourist expenditures for the Virgin Islands in any fiscal year up to and including fiscal 1957 and almost as much as the total tourist expenditures in fiscal 1958.

Per capita income hit a new peak for the Virgin Islands of approximately \$1,200 in fiscal 1963—the highest in the Caribbean.

Total bank deposits in the Virgin Islands on January 1, 1961, were \$35 million and at June 30, 1963, were at an alltime high of \$51,700,000, an increase of \$16,700,000, or almost 50 percent. Even more important, total bank loans in the Virgin Islands on January 1, 1961, were \$16,500,000 and at the close of fiscal 1963 were at an alltime peak of \$32,200,000, an increase of almost 100 percent.

Advertising and Promotion

The department's advertising program which had been initiated the previous year continues in all media. New markets were studied and developed for greater effectiveness. Tourist interests as well as sea and air carriers continued to place individual advertising in cooperation with that scheduled for the government which gave the overall program the value of greater scope and impact.

The department is cooperating in, and is hopeful that fiscal 1964 will see, the establishment and operation of hotel inservice programs at both the high school and college levels to train Virgin Islanders for managerial positions in this industry.

New Businesses Encouraged

The trade and industry division continued its work of offering advice and assistance to new businesses which were considered suitable for location in the Virgin Islands. A total of 8 new industries were established during the past fiscal year, making a total of 20 new industries for the past 2 fiscal years—a record for any previous like time period in Virgin Islands history. New businesses established during this last fiscal year include watch assembly plants, a chemical plant, jewelry manufacture, manufacture of women's slacks, a knitting mill, and a rice polishing plant.

Trade and Commerce Rise

Imports into the U.S. Virgin Islands reached a new high of \$61,803,509 in calendar 1962, and exports a new high of \$20,064,920, an increase of 119 percent over calendar 1961. It is important to note that the balances of payments deficit is not as serious as it appears. Retail tourist establishments sold \$22,270,000 in gifts, liquor, and fashions to tourists, most of which were items imported into the U.S. Virgin Islands and do not appear in export statistics.

A new jet airstrip at the Alexander Hamilton Airport in St. Croix has seen the inauguration of nonstop jet service by Pan American



The Virgin Islands has become headquarters for more and more charter boats, and sport fishing came into its own in fiscal 1963 with the discovery of fabulous new fishing grounds off St. John.

World Airways from New York. It is expected that scheduled flights will increase with the further development of the airstrip to nonrestricted jet length use.

Work commenced on dredging the St. Thomas Harbor which will be completed in September 1963. Work also commenced during the fiscal year on the construction of new dock facilities at Christiansted, St. Croix, and it is expected to be completed and turned over to this department for operation in October 1963.

At the present time, there is an increase of almost 2,000 percent (215,000 air passengers in fiscal 1963, and 12,650 in fiscal 1950) since fiscal 1950 in numbers of air passengers carried to the Virgin Islands. Aside from cruise ships, which bring only day passengers, there are no means of transportation other than air for a tourist who wishes to visit the Virgin Islands for more than 1 day.

Visitors Bureau

The visitors bureau handled and supervised, in conjunction with the New York, San Juan, and St. Croix offices, the distribution and

mailing of almost 500,000 pieces of assorted literature pertaining to tourism. During the past year, this bureau made approximately 105,000-replies to the traveling public's inquiries.

Approximately 22 important groups visited the Virgin Islands during fiscal 1963 totaling approximately 2,500 persons. During this same period, a total of 163 cruise ships carrying a record 64,239 passengers visited the Virgin Islands. This compares with 131 ships carrying 57,799 passengers during fiscal 1962. Two of the cruise ships calling at St. Thomas also visited Caneel Bay, St. John, during the month of October 1962. A total of four ships visited the island of St. Croix using the new facilities at the Frederiksted pier. These ships carried a total of 1,864 passengers.

The following chart shows the tourist statistics for the past 10 years:

Fiscal years	Air traffic	Cruise ships	Other	Totals
1953-54	45,795	13,323	18,882	78,000
1954-55	54,864	16,000	20,763	91,627
1955-56	63,000	18,500	29,300	110,800
1956-57	76,200	22,035	22,000	120,235
1957-58	85,800	35,420	10,780	132,000
1958-59	107,400	37,000	19,600	164,000
1959-60	124,400	49,700	30,000	204,100
1960-61	146,100	57,000	51,600	254,700
1961-62	187,712	57,799	45,539	291,050
1962-63	215,809	64,239	51,201	331,249

Total tourist expenditures for the past 5 years were as follows:

1958-59	\$21,738,000
1959-60	24,780,000
1960-61	25,817,000
1961-62	35,145,000
1962-63	41,070,000

It was determined by the advertising agency that the most powerful appeal the U.S. Virgin Islands could make to the vacation market was the emphasis of excellent weather. It was therefore decided to put this promise into the form of a guarantee whereby the room rate will be returned by the participating hotels in the Virgin Islands to the visitor on any day the mean temperature falls below 70 degrees or rises above 88 degrees.

News Bureau

Mainland communications media reported generally on all facets of the Virgin Islands progress with particular emphasis on the College of the Virgin Islands and tourism. The news bureau placed in all types of media a flow of information which if purchased as advertising space or time would have cost approximately \$4 million. The

news bureau function is a vital link with the ever-increasing and important tourism development program.

Rum Council

Residents of the United States continued to purchase the Virgin Islands rums at an increased rate. The rum council continued its national advertising and sales promotion program begun in fiscal 1962. Rum exported from the Virgin Islands during fiscal 1963 totaled 840,341 proof gallons, an increase of almost 13 percent over 1962.

5-Year Comparison

	<i>Proof gallons</i>
1959.....	523, 513
1960.....	618, 170
1961.....	720, 758
1962.....	741, 260
1963.....	840, 341

Excise tax payments on shipments to the United States during fiscal 1960, 1961, and 1962 include approximately \$1,070,000 of alcoholic spirits other than rum.

Although the rum promotion budget is inadequate by comparison to competition from the rums of Puerto Rico, the Virgin Islands Rum Council has set a goal of \$8,500,000 for the return of internal revenue taxes for rum shipped into the United States for fiscal 1964.

Marine and Aviation Services

This division supervises and operates the government-owned docks, wharves, and airports and has charge of registering and licensing small boats, both private and those for public hire.

The service at present consists of the harbor division, St. Thomas, covering all marine activities in the islands of St. Thomas and St. John; the harbor division, St. Croix, covering all marine activities in the island of St. Croix; and the Alexander Hamilton Airport, St. Croix, covering all aviation in the island of St. Croix. The airport in St. Thomas has not yet been turned over to the operational management and control of the marine and aviation services. This property which has been reported as excess by the Navy Department will be acquired by the territorial government in the near future.

The dredging work at Christiansted harbor has been completed. The construction of the new dock in Christiansted harbor has not yet been completed, but it is anticipated that it will be ready for commissioning about October of this year. On June 2, 1963, a ship collided with the pier at Frederiksted, doing extensive damage. The damage is amply covered by insurance and it is expected that repair work will soon start.



Frederiksted, with its deepwater pier on St. Croix, is rapidly coming into its own as a popular Caribbean cruise port. Above, the Bergensfjord and Riviera Prima, with a combined capacity of 1,000 passengers, are moored at the pier. Some 40 cruise ships are expected to call at Frederiksted during the winter season.

Shipping at the port of Charlotte Amalie, St. Thomas¹

Fiscal year	Number of ships	Tonnage	Pilotage revenues collected
1959.....	429	3,053,415	\$32,254.00
1960.....	547	4,037,094	39,183.00
1961.....	748	5,099,833	49,571.50
1962.....	716	4,696,744	42,353.50
1963.....	593	4,649,286	39,902.25

¹ These figures include only ships over 100 tons gross.

Harbor service, St. Croix¹

	1959	1960	1961	1962	1963
Christiansted:					
Arrivals.....	887	887	905	953	893
Departures.....	887	887	894	949	887
Gross tonnage.....	63,409	61,199	75,123	77,218	88,642
Revenues.....					\$24,901
Frederiksted:					
Arrivals.....	193	208	162	159	300
Departures.....	193	208	162	159	300
Gross tonnage.....	267,564	315,630	343,515	353,059	422,089
Revenues.....					\$53,358

¹ These figures include all ships and vessels including those under 100 tons gross.

Alexander Hamilton Airport

Travel by jet aircraft to and from St. Croix started during the year and has continued without mishap to person or equipment. Accommodation for medium and small size aircraft has been provided by taxiway and parking area. The water system has been improved by two wells and should work out satisfactorily.

The following traffic took place during the fiscal year:

	1959	1960	1961	1962	1963
Harry S Truman Airport:					
Military aircraft.....	1,165	910	659	1,082	939
Scheduled airlines.....	5,372	7,001	7,597	10,117	8,737
Nonscheduled and private.....	1,208	2,598	3,266	3,846	2,101
Air taxi.....					4,017
Passenger arrivals.....	93,397	125,384	120,717	189,496	211,500
Passenger departures.....	(1)	(1)	129,883	181,651	248,536
Total revenues.....	\$39,913	\$27,206	(1)	(1)	\$43,183
Alexander Hamilton Airport:					
Military aircraft.....	340	360	400	2,000	2,248
Scheduled airlines.....	1,520	2,504	2,855	3,555	3,258
Nonscheduled and private.....	1,800	(1)	2,880	2,892	3,506
Passenger arrivals.....	43,521	95,535	58,829	85,365	123,774
Passenger departures.....	42,865	95,655	58,748	88,624	125,937
Total revenues.....	\$21,817	\$25,387	(1)	(1)	\$76,695

¹ Figures not available.

Division of Trade

Eight new manufacturing industries were established during fiscal year 1963, less than fiscal year 1962, but greater than all other previous fiscal years. Calendar 1962 was a significant year for the Virgin Islands with respect to the volume and composition of external trade. Total imports climbed to \$61,803,509, representing a dollar increase of \$11,052,483 over the previous year and a corresponding increase of 26 percent. The volume of exports represented a phenomenal rise over exports of the previous year. The 1962 exports were valued at \$20,064,920 compared with exports of \$9,133,124 in the previous year, or an increase of 116 percent. Of the total exports, \$19,118,647 were shipped to the United States. Textile processing accounted for 46 percent of exports to the United States, while watches and watch movements were 13.5 percent of the exports.

Comparison of imports and exports—Total trade, calendar years 1955–62

Year	Imports	Exports	Total trade
1955.....	\$16,255,575	\$4,116,053	\$20,371,628
1956.....	18,947,426	5,597,161	24,544,587
1957.....	21,239,242	5,006,873	26,246,115
1958.....	23,622,093	3,534,805	27,156,898
1959.....	33,642,297	6,273,623	39,915,920
1960.....	42,282,052	8,255,017	50,637,069
1961.....	50,208,444	9,133,124	59,541,568
1962.....	61,803,509	20,064,920	81,868,429



Tourism became a \$41 million industry, the islands' largest, in fiscal 1963. Hundreds of thousands of visitors like the ones above enjoyed free port shopping in the picturesque stores of St. Croix, St. Thomas, and St. John.

Comparison of imports and exports—United States and foreign, 1961–62

	1961	1962
Imports from United States	\$38, 725, 786	\$40, 593, 468
Imports from foreign	11, 482, 658	21, 210, 041
Total.....	50, 208, 044	61, 803, 509
Exports to the United States	8, 317, 418	19, 118, 647
Exports to foreign	815, 706	946, 273
Total.....	9, 133, 124	20, 064, 920

Department of Agriculture and Labor

Personnel: 78

Operating appropriation: \$334,700

Division of Agriculture

Gains have been accomplished to develop export markets for vegetables grown on St. Croix.

A contract was signed for the growing of pickle cucumber, the crop was sent by air cargo to the mainland and the program was successful.

After summarizing the production records of the pickle cucumber crops, it was found that in comparison with sugarcane, the cucumber offered a greater net return per acre (sugarcane, \$133; cucumber, \$248). Besides, the cucumber crop was produced in one-third the time required to produce a sugarcane crop.

This office recognizes that only during the winter months would prices be high enough to permit the mainland marketing of local vegetable produce. The conclusion is that with a well organized and efficient marketing organization, adequate rainfall or irrigation, equipment and financing, every acre of soil with good topography can be put to good economic farm use.

Most of the vegetable production program was conducted at the newly acquired acreage at Estate Lower Love. Among the other crops, the following acreage and production were recorded:

Crop	Acreage	Production
		<i>Pounds</i>
Tomato.....	1.5	7,750
Pepper.....	2.0	5,600
Onion.....	.5	500
Cabbage.....	1.9	3,880
Yam.....	.75	22,000

Loans to Farmers and Fishermen

During the reporting period of 1961-62, 20 farmers received loans. This year, the total number of farmers and fishermen on this program is 51. Efforts are being made to make this a truly functional revolving loan fund. Borrowers on this program cover all three islands.

Sugarcane Subsidy Program

Under the Sugar Cane Act, applications of 127 farmers were certified to receive subsidy payment for sugarcane delivered to the factory. At the rate of \$1 per ton of cane, total subsidies paid amounted to \$30,759. Nine farmers received subsidies from \$1,500 to \$2,000; 1 farmer received from \$1,000 to \$1,499; 7 farmers were in the bracket from \$500 to \$999; 26 farmers received between \$100 and \$499; 13 farmers received from \$50 to \$99 and the great majority of 71 farmers received subsidies in the \$1 to \$49 bracket. No appropriation was made for this subsidy after June 30, 1963.

Swine Improvement Program

This program continues to supply baby pigs and breeding service to farmers who wish to upgrade their herds.

Soil Conservation Service

Early this year, the Soil Conservation Service was transferred from the Virgin Islands Corporation to this department with an appropriation of \$100,000 from matching funds. The dam construction program is serving a pressing need. Fifteen dams forming reservoirs, ranging from 163,000 to 750,000 gallons were completed on the three islands. In order to speed up this work, all efforts are being made to replace the old, inefficient equipment with new efficient models.

Abattoir

The St. Croix Abattoir at Estate Anguilla is almost completed. It is expected that this new plant will help to open new horizons for the local beef cattle industry.

During this period, 629 animals were slaughtered at the abattoir in St. Thomas.

Parks and Beaches

Several thousand ornamental plants were used to beautify the many parks of the Virgin Islands.

The new Isaac Boynes Park at Estate Grove Place was completed. This park set a time and cost record for the completion of this type of recreation area. A new bandstand, children's playground, drinking water facilities, ornamental plants and lawns have transformed this former neglected area into a spot of which all citizens are proud.

Cramer Park, on the eastern end of St. Croix, serves the public and visitors daily, and continues to be the No. 1 holiday and weekend resort.

Other Activities

The development of new headquarters at Estate Lower Love is in progress. It is expected that this new Agriculture Center would be the seat of all expansion of local industry. All of the fields are in good tilth through the use of the department's agricultural equipment.

Some important jobs to be accomplished before the end of the calendar year 1963 are construction of a new modern office building, and fencing of the entire farm. Other installations planned for the future include buildings for vegetable packing and distribution, tractor sheds and workshops, and irrigation equipment.

Physical development of this site and agricultural programs will be conducted simultaneously.

Workmen's Compensation

During the year a total of 786 injuries were reported which, together with a number of cases carried over from the previous fiscal year, resulted in the adjustment of 775 cases. In processing these reports, 1,279 separate awards were made. The total money value



The assembly of watches has become one of the leading new industries in St. Croix. Labor is being trained in such occupations, thereby earning more than the wages for menial work. The result is a steadily rising standard of living in the Virgin Islands.

arrived at in the disposition of the cases handled was \$117,302.90, which is explained in the following breakdown:

Temporary total disability-----	\$47, 079. 82
Permanent total disability-----	5, 359. 86
Permanent partial disability-----	31, 438. 25
Medical costs, including transportation and physicians fees-----	33, 424. 97
<hr/> Total-----	<hr/> 117, 302. 90

Wage and Hour Administration

Under the Fair Labor Standards Act, overtime and back wages were collected from employers totaling \$16,334.35. The major portion of this figure covered overtime and resulted from employers' failure to comply with the provisions of Act No. 791 relating to overtime pay for the sixth day in a given workweek.

As in the previous year, most of the individual complaints of wage violations received were filed by nonresident workers.

Two studies regarding prevailing wages were completed under the provisions of the Fair Labor Standards Chapter of the Virgin Islands Code. The wage rates arrived at as a result of these studies are being used by the employment service in the employment of nonresident workers and are higher than the minimum rates established by the wage board.

There are five wage orders in effect covering industries in the Virgin Islands as of June 30, 1963. In conformity with Act No. 791, the wage board has to continue its work during the 1964 fiscal year by reviewing previous wage orders to fix at least three categories in each industry. Before this act became law, the board fixed a single minimum rate in several industries.

Division of Apprenticeship and Training

This division received a total of 90 applications for apprenticeship and 17 applications for training. There were 43 placements made in apprenticeship of which 38 were active as of June 30, 1963.

Programs registered for apprenticeship included automechanics, carpenters, masons, diesel mechanics, electricians, engineering aids, radio electricians, survey-draftsmen, watch repairmen, and welders.

All applicants for training were placed and these were all former telephone operators on St. Croix.

Office of Veterans Affairs

This office made a total of 2,067 contacts with veterans and their dependents, servicemen and their dependents, representatives of government agencies (insular and Federal), private enterprises, and other interested persons.

Virgin Islands Employment Security Agency

Personnel: 35

Operating Federal grants: \$125,812

During the fiscal year, the legislature enacted a law creating the employment security agency, an independent agency under the office of the Governor.

Placement Services

Total nonagricultural placements for the fiscal year were 1,450. For the purposes of comparison, there are listed below placement activities for the fiscal years 1959 through 1963.

	1959	1960	1961	1962	1963
Total nonagricultural placements.....	3,061	3,203	3,492	4,346	1,450
Professional and clerical.....	238	373	470	413	325
Service.....	729	941	1,135	1,549	448
Skilled and semiskilled.....	1,225	911	802	909	363
Unskilled and other.....	869	978	1,085	1,475	314

For the same period, nonagricultural openings certified for the employment of foreign nationals were 13,349. Agricultural openings certified for alien workers numbered 1,505.

Recent changes in the interpretation of the placement count invalidated a comparison of nonagricultural placements between fiscal years 1962 and 1963. However, using fiscal years 1961 and 1963 for which the same statistical standards were in effect, a comparison shows a decline in fiscal year 1963 from fiscal year 1961 by 2,042 placements. During the same period, total nonagricultural openings certified for the employment of foreign nationals increased by 5,267 which represents a rise of 65.2 percent from fiscal year 1961 to fiscal year 1963. This may be interpreted as indicative that the drop in placements was compensated by the increase in nonagricultural alien employment and presumes an apparent lack of qualified U.S. nationals available in the area to meet the increased employment opportunities.

Counseling, Testing, and Related Services to Industry and Labor

All segments of the labor force are entitled to the services rendered by the Virgin Islands Employment Service. The services offered include occupational testing and counseling.

The employment service placed 375 persons in the under-20 age group, 128 in the 45-and-over group, 17 handicapped persons, and 48 veterans and ex-servicemen.

Federal Unemployment Insurance Activities

The Virgin Islands Employment Service administered Federal unemployment insurance programs for Federal employees and ex-servicemen. Employees of the Virgin Islands Corporation in St. Croix constitute the largest single group of workers covered under the program. Payments of benefits to these workers were slightly lower than during fiscal 1962, and continued to follow the seasonal pattern which emerged in previous years.

Department of Public Works

<i>Personnel:</i>	<i>Operating appropriation:</i>	\$2,724,990
<i>Permanent, 327</i>	<i>Special projects appropriation:</i>	\$32,799
<i>Per diem, 622</i>	<i>Matching funds appropriation:</i>	\$4,390,009

Foreword

Population growth and commercial expansion created a record demand for public facilities and services in fiscal 1963. This was reflected in increased workloads for every division of the department of public works.

To meet the increasing needs, \$2,617,862 was obligated for such functions as street and road maintenance, garbage and trash disposal, distribution of water, maintenance of sewer and water facilities, upkeep and repair of public buildings and other structures.

In addition to these continuing services, 58 essential public projects were undertaken, at a cost of \$1,248,259 under the internal revenue matching fund.

Street Cleaning and Garbage Removal Service

The amount of garbage and trash hauled to sea and island dumps was nearly four times that for fiscal 1960. Greater efficiency in this work was made possible by additional equipment on all three islands and relocation of the trash dump to a more accessible location in St. Thomas. The area coverage of garbage and trash removal services also was increased.

Night-Soil Removal Service

In the fiscal year, 210 homes and other properties were connected to the salt water and potable water systems. However, there was a reduction of only 47 cans for collection. This was largely due to increased occupancy of superfluous houses and substandard quarters by transient workers employed on private construction projects in St. Thomas. The night-soil system has been practically eliminated in Frederiksted, and the reduction of 47 cans was recorded mainly in Christiansted.

Water Supply

The amount of potable water supplied to Charlotte Amalie in fiscal 1963 was greatly increased. The sea water distillation plant and barges from Puerto Rico supplied 189,599,400 gallons, an increase of 79,573,400 over fiscal 1962. The 6-inch water main from Bourne Field has become inadequate and the water pressure in outer areas of the system dropped to such a degree that large sections of Charlotte Amalie are not served.

A project for installing a larger main and a new pumping and treatment plant was set up under the accelerated public works program. It is expected that work will begin on this project in November 1963, and will be completed during March of 1964. At the same time, there must be an increase in the amount of water available for distribution. This will be effected by use of a barge capable of hauling 1 million gallons from Puerto Rico on each trip. Long-range plans also have been made for enlargement of the sea water distillation facilities in St. Thomas.

The water problem in Christiansted and Frederiksted is not critical. However, plans have been made to add more wells in the La Grange area serving Frederiksted and to pipe water from the Barren Spot area to Christiansted.

Matching Fund Programs

Fifty-eight projects financed by internal revenue matching funds were underway in fiscal 1963. For these, the department of public works obligated a total of \$4,248,259. Fifteen of the major projects were for schools, 11 were for renovation of public buildings, and 10 were for road and street construction.

At year's end, the dredging phase of the St. Thomas harbor improvement program was nearing completion. A huge hydraulic dredge was brought in to remove some 1 million cubic yards of fill, thus reclaiming about 50 acres of submerged land in the Crown Bay and Long Bay harbor areas. These reclaimed areas will be bulkheaded to provide an additional 3,300 feet of waterfront suitable for use by smaller commercial and pleasure craft. The harbor itself will benefit from the addition of 119 acres of deepwater maneuvering space.

In Christiansted, the dredging of channel and harbor has been completed to a minimum depth of 16 feet and a new million-dollar dock will soon be ready for service.

Public Buildings

A program of preventing maintenance was initiated for government owned and controlled buildings, and general maintenance was greatly



The introduction of a modern dial telephone system to all three Virgin Islands was accomplished during fiscal 1963. Above, the huge antenna atop Crown Mountain in St. Thomas is a vital link in the oversea operation of telephone service between the islands and to the mainland.

improved during the fiscal year. New projects on St. Thomas included completion of the department of finance buildings, renovation of the administration building, Fort Christian, and 12 schools. On St. Croix, extensive renovations were made at Anna's Hope School and the Herbert Grigg Home for the Aged.

The school construction projects are described in more detail in the department of education section of this report.

PUBLIC WORKS STATISTICS

Utilities and inspection

Building permits	Number	1959 estimated construction costs	Number	1960 estimated construction costs	Number	1961 estimated construction costs	Number	1962 estimated construction costs	Number	1963 estimated construction costs
St. Croix.....	124	\$1, 253, 214	210	\$2, 288, 719	224	\$3, 019, 441	271	\$4, 176, 536	335	\$4, 795, 744
St. Thomas and St. John.....	340	3, 258, 753	378	5, 190, 527	460	6, 363, 482	506	7, 017, 972	598	9, 051, 455

PUBLIC WORKS STATISTICS—Continued

Utilities and inspection—Continued

NUMBER OF INSTALLATION PERMITS

	1959	1960	1961	1962	1963
Sanitary installation permits—St. Thomas.....	182	135	187	324	698
Sewer connection permits—St. Thomas.....	84	68	72	132	100
Water connection permits—St. Thomas.....	35	19	42	91	52
Electric installation permits—St. Croix.....	263	299	343	470	563
Electric installation permits—St. Thomas and St. John.....	249	311	302	422	375

NUMBER OF PROPERTIES CONNECTED TO SALT WATER SYSTEM

	1959	1960	1961	1962	1963
St. Croix.....	16	16	16	16	16
St. Thomas.....	326	326	382	430	482
St. Thomas—new connections.....			19	91	52

NUMBER OF POTABLE WATER CONNECTIONS

	1959	1960	1961	1962	1963
St. Croix—new connections.....	46	70	79	78	133
St. Thomas—new connections.....	18	17	68	172	77
Total number of potable water connections.....	640	727	864	1,016	1,204

POTABLE WATER CONSUMPTION

	1959	1960	1961	1962	1963
Potable water pumped from wells—St. Croix gallons.....	30,110,766	43,503,928	47,628,528	48,501,765	82,088,216
Potable water brought in by barges..... do.....	49,665,800	67,740,800	89,103,300	84,354,300	75,914,600
Potable water hauled by trucks to consumers gallons.....	556,250	25,785	625,500	1,573,000	2,353,000
Potable water used by consumers by meters gallons.....	64,204,620	87,400,006	90,475,685	103,165,400	127,328,160
Average daily consumption—St. Thomas gallons.....	200,000	220,000	250,000	300,000	400,000
Average daily consumption—St. Croix..... do.....	82,495	120,000	130,516	132,880	225,176
Potable water received from distillation plant gallons.....				25,671,700	113,684,800

GARBAGE AND RUBBISH HAULED

	1959	1960	1961	1962	1963
St. Thomas..... cubic yards.....	34,884	43,220	39,990	97,008	104,800
St. Croix..... do.....	17,562	22,950	40,896	33,058	83,192

NITE SOIL REMOVED

	1959	1960	1961	1962	1963
St. Thomas..... gallons.....	469,260	479,520	458,336	378,950	383,320
St. Thomas..... cans in use.....	850	900	900	900	900
St. Croix..... gallons.....	312,400	254,280	242,986	231,000	164,000
St. Croix..... cans in use.....	500	489	433	375	328

MILES OF ROADS MAINTAINED

	1959	1960	1961	1962	1963
St. Croix.....	170	170	170	170	170
St. Thomas.....	90	90	90	90	90
St. John.....	40	40	40	40	40

MILES OF STREETS MAINTAINED

	1959	1960	1961	1962	1963
St. Croix.....	16.4	16.4	16.4	16.4	16.4
St. Thomas and St. John.....	13	13	13	13	13

MILES OF OPEN DRAINS MAINTAINED

	1959	1960	1961	1962	1963
St. Thomas.....	25	25	25	25	25

Department of Finance

Personnel: 158

Operating appropriation: \$865,441

Department's Operations, Programs, and Policies

During fiscal 1963, the division of accounting was reorganized and expanded to accommodate the centralization of the accounting system. In addition to general ledger accounting, this brought budgetary accounting for all government departments and agencies within its operation.

Weaknesses in certain activities have been identified and, nearing the end of the fiscal year, positive action was taken to strengthen them and to establish controls to improve the efficiency of the centralized operations.

As a result of problems encountered with the implementation of the new system, general ledger accounting and financial reporting which for the past three years had shown steady and satisfactory improvement were greatly hampered in fiscal 1963.

The audit division continued to be severely handicapped by the difficulty in recruiting qualified personnel. The systems and review section functioned during most of the year with only half of its authorized staff. The revenue audit section was fully staffed for only a few months of the fiscal year. Consequently, the audit program was very restricted, with the audit of the Virgin Islands Lottery being the only major audit completed outside of certain routine examinations.

Much of the work of the tax division cannot be reflected in immediate revenue for the treasury. A substantial amount of revenue must come from the investigation and audit of tax returns and other tax sources but in all cases the taxpayer may appeal for redeterminations, on several levels, up to the courts, and after each appeal there is a period of at least 1 month before action may be taken. This has been the case during the fiscal year, but certain activities and accomplishments will in the near future reflect themselves in a more effective and efficient enforcement of the tax laws, as follows:

1. The staff of the tax division has been doubled with emphasis on the nonclerical employees for audit work (through the revenue agents) and collection and enforcement activities (through the revenue officers). Included among the new personnel are four

former employees of the U.S. Internal Revenue Service, two of whom have had substantial training and experience as revenue agents.

2. The total number of field examinations and audits of tax returns and business records, and the amount of unreported tax determined by such audits and examinations have increased substantially—although most of the revenue agents have been employed by the division for less than 6 months of the fiscal year, and the fact that most of the agents have not received specialized training in income tax law from the U.S. Internal Revenue Service.

3. Three revenue officers and one office (revenue) agent received specialized training from the U.S. Internal Revenue Service, and one other employee was granted educational leave to complete a college accounting course in the United States. Furthermore, most of the employees are now receiving instructions in income tax law through correspondence courses from the U.S. Internal Revenue Service, and arrangements have been made with the Service for other revenue agents to be sent from the tax division to their training courses in the United States.

4. Regulations and procedures have been written and issued to cover some of the more important activities and requirements for administration of the division and enforcement of the tax laws.

Much of what has been accomplished during the year may be attributed to the personal interest and cooperation received from the Office of the Commissioner of Internal Revenue.

The collection and enforcement section which was activated during the fiscal year progressed slowly during the year with only a skeleton staff. This section is responsible for the maintenance of accounts receivable records, for followup on outstanding accounts and for initiating enforcement actions. At the close of fiscal 1963, enforcement action has been initiated on all delinquent outstanding accounts. This enforcement action has resulted in the liquidation of a large number of outstanding past due accounts, thereby bringing badly needed revenues into the treasury.

The treasury division processed a total of 175,702 checks during the fiscal year 1963, as compared with 110,030 checks processed during the previous fiscal year.

Financial Information

General and Matching Funds

Following a trend established over recent years, the revenues collected and expenditures made by the government of the Virgin Islands during the fiscal year were the highest ever recorded.

Total revenues for the general and matching funds amounted to \$19,670,156.45 of which \$11,987,627.86, or 60.94 percent were for the account of the general fund, and \$7,682,528.59, or 39.06 percent were for the account of the matching fund. In the case of the general fund, revenues collected in fiscal year 1963 represented an increase of 8 percent over those collected during the previous fiscal year. Matching fund revenues collected represented an increase of 21.10 percent over revenues collected in the previous fiscal year.

The comparative statement of revenues and receipts appended hereto presents a picture, in considerable detail, of the revenues collected into the general and matching funds over the 5-year period beginning with fiscal 1959 and ending with fiscal 1963. The statement shows in the top portion the amount of revenues derived each fiscal year by source, and the percentage of each item in relation to the total revenues collected. In the lower portion, the percentage of increase or decrease of each revenue item and the total are shown.

Total expenditures for the fiscal year amounted to \$1,713,232, 1963 amounted to \$17,867,582.94 of which \$13,003,635.67 or 72.78 percent were from the general fund and \$4,863,947.27 or 27.22 percent were from the matching fund. General fund expenditures represented an increase of 25.80 percent over the previous fiscal year. Matching fund expenditures represented an increase of 6.8 percent over the previous fiscal year, indicating accelerated activity in capital improvements throughout the Virgin Islands.

Essential Projects Fund

Under the provisions of the Organic Act (subsection 28(b)), at the beginning of each fiscal year, the excess of funds in the single "i" matching fund not needed to liquidate obligations incurred during the fiscal year, or outstanding encumbrances of previous fiscal years, is transferred to the essential projects fund. This year the receipts into the fund from this source amounted to \$2,012,433.82, compared with \$2,551,169.12 received during fiscal 1962, a decrease of \$538,735.30, or 21.12 percent.

Total expenditures for the fiscal year amounted to \$1,713,232.00, compared with \$2,425,709.29 for fiscal 1962, a decrease of \$712,477.29, or 29.37 percent.

Road Fund

This fund was established in 1957 by legislative enactment which provided that all taxes upon the sale of gasoline and all fines imposed by the courts for violation of traffic laws should be deposited therein. During the fiscal year net revenues collected and deposited into the road fund amounted to \$311,686.74, an increase of \$26,980.62, or 9.48 percent over those of fiscal 1962. Of this amount, \$274,403.24 represented collections from taxes on the sale of gasoline, and \$30,298.50 from the collection of fines imposed for violation of traffic laws, \$6,975 represented refunds on prior year's expenditures, and there was an overdeposit of \$10.

Marine and Aviation Fund

The marine and aviation fund was established in October 1960 by legislative enactment which provided that all revenues and receipts collected from activities applicable to the harbors and airports of the Virgin Islands be deposited into this fund. During the fiscal year revenues deposited into the marine and aviation fund amounted to \$426,451.97. Of this amount \$134,866 were contributions from the general fund, \$154,398 represented harbor fees collected by U.S. Customs, \$40,119.25 were for pilot fees; rents and concessions amounted to \$33,653.04; and other harbor, airport, and miscellaneous fees amounted to \$63,415.68.

Expenditures for the same period amounted to \$266,319.47. The fund is used for the operation of harbors and airports within the Virgin Islands owned by the territorial government.

Federal Contributions

During the fiscal year the Federal Government's contribution to grant-in-aid programs and other programs amounted to \$1,607,268.61, an increase of \$255,542.85 or 18.90 percent over similar contributions of the previous fiscal year.

The other funds not highlighted here represent funds which are segregated for specific programs and functions not generally connected with normal governmental operations.

GOVERNMENT OF THE VIRGIN ISLANDS
Comparative statement of revenues and receipts, fiscal years 1959-63
GENERAL AND MATCHING FUNDS

Source of revenues and receipts	1959	Percent of total	1960	Percent of total	1961	Percent of total	1962	Percent of total	1963	Percent of total
General fund:										
Real property taxes.....	\$276,349.18	5.29	\$372,724.81	5.41	\$348,174.57	3.97	\$499,413.87	4.50	\$590,274.63	4.92
Income taxes.....	3,054,223.06	58.46	4,329,017.86	59.69	5,619,721.00	64.09	7,221,085.92	65.05	7,580,074.35	63.23
Inheritance taxes.....	37,960.44	.72	23,011.19	.32	42,541.45	.49	37,529.94	.34	17,553.78	.15
Stamp taxes.....	97,151.92	1.86	71,495.93	.99	112,833.01	1.29	135,719.28	1.22	134,859.00	1.13
Trade excise and gross receipt taxes.....	886,513.22	16.97	1,185,743.54	16.35	1,357,491.33	15.48	1,655,595.56	14.92	1,941,240.81	16.19
Custom dues.....	284,000.00	5.45	487,000.00	6.72	431,780.70	4.92	747,085.00	6.73	648,770.80	5.41
Licenses, fees, and permits.....	269,747.30	5.16	331,377.55	4.57	372,391.70	4.25	533,987.80	3.91	494,596.25	4.13
Corporation franchise tax.....	4,518.00	.08	16,702.63	.23	16,491.33	.19	20,237.56	.18	35,902.65	.30
Fines, forfeits, and penalties.....	29,155.49	.56	39,549.05	.54	33,709.72	.38	39,450.43	.36	75,155.07	.63
Interest on government funds.....	548.44	.01	100.68	0	26,567.07	.30	439.14	0	14.94	0
Other income.....	284,410.79	5.44	395,144.70	5.45	406,411.95	4.64	309,389.05	2.79	469,185.58	3.91
Total general fund.....	5,224,577.84	100	7,251,867.94	100	8,768,163.83	100	11,099,933.55	100	11,987,627.86	100
Matching fund:										
Internal revenue matching contributions.....	3,872,865.16	96.94	4,917,952.15	97.79	6,494,445.33	96.79	6,173,477.87	97.32	7,682,528.59	96.95
Contributions from other funds (reimbursements).....	117,198.01	2.94	101,752.63	2.02	185,171.37	2.76	128,796.80	2.03	153,594.33	1.94
Interest on government funds.....	5,070.71	.12	9,358.08	.19	30,454.49	.45	41,476.35	.65	88,101.12	1.11
Total matching fund.....	3,995,133.88	100	5,029,062.86	100	6,710,671.19	100	6,343,751.02	100	7,924,224.04	100
Grand total.....	9,219,711.72	-----	12,280,930.80	-----	15,478,235.02	-----	17,443,684.57	-----	19,911,851.90	-----

GOVERNMENT OF THE VIRGIN ISLANDS
*Comparative statement of obligations, general and matching funds, fiscal
 years 1959-63*

DISTRIBUTION OF OBLIGATIONS

	1959	Percent of total expend- itures	1960	Percent of total expend- itures	1961	Percent of total expend- itures	1962	Percent of total expend- itures	1963	Percent of total expend- itures
Standard government expenditures										
Legislative	\$126,168.02	1.58	\$196,190.66	1.96	\$194,103.66	1.48	\$236,967.44	1.59	\$237,499.01	1.29
Judiciary (courts)	49,589.52	.62	59,244.54	.59	62,188.18	.47	72,656.44	.49	68,199.96	.37
Executive:										
Administrative departments and agencies	1,091,676.71	13.69	1,443,836.54	14.44	1,503,788.37	11.43	1,812,480.40	12.17	2,352,495.96	12.75
Service departments:										
Public works department	1,481,676.17	18.57	2,155,141.89	21.55	1,854,961.77	14.10	2,361,939.59	15.86	2,643,277.76	14.32
Health department	1,555,461.81	19.50	2,097,018.42	20.97	2,533,674.72	19.26	2,634,032.27	17.69	2,714,225.13	14.71
Education department	1,428,629.12	17.91	1,839,432.82	18.60	2,107,840.76	16.02	2,413,884.61	16.21	2,993,486.25	16.22
Social welfare department	464,232.73	5.82	550,434.99	5.50	601,857.55	4.58	837,884.45	5.63	986,816.12	5.35
Public safety department	457,920.45	5.74	554,265.32	5.54	698,533.79	5.31	788,865.09	5.29	849,915.89	4.61
Commerce department	163,463.80	2.05	227,682.37	2.28	340,917.48	2.59	576,265.31	3.87	623,834.08	3.38
Agriculture and labor department	69,564.55	.87	143,168.13	1.43	167,723.53	1.28	256,136.41	1.72	321,335.29	1.74
Housing and urban renewal department									81,040.64	.44
Total executive expenditures	6,712,625.34	84.15	9,031,000.48	90.31	9,809,297.97	74.57	11,680,988.13	78.44	13,566,427.12	73.52
Other governmental expenditures	1,056,790.83	13.25	296,110.29	2.96	197,666.79	1.50	548,852.58	3.69	1,875,235.14	10.16
Total standard government expenditures	7,945,173.71	99.60	9,582,545.97	95.82	10,263,256.60	78.02	12,539,464.59	84.21	15,747,361.23	85.34
Special or essential public projects expenditures:										
Public works department	32,040.20	.40	370,166.08	3.70	2,856,053.86	21.71	2,321,189.90	15.59	2,038,600.38	11.05
Health department			47,396.09	.48			2,819.00	.02		
Education department					35,434.45	.27	6,437.73	.04	37,553.28	.20
Social welfare department					251.44	0	504.63	0	8,756.86	.05
Governor's consulting service										
Housing and urban renewal department							20,547.13	.14		
Agriculture and labor department									546,198.26	2.96
Total special or essential public project expenditures	32,040.20	.40	417,562.17	4.18	2,891,739.75	21.98	2,351,618.39	15.79	2,706,200.56	14.66
Total expenditures	7,977,213.91	100	10,000,108.14	100	13,154,996.35	100	14,891,082.98	100	18,453,561.79	100

GOVERNMENT OF THE VIRGIN ISLANDS

Comparative statement of revenues and receipts, fiscal years 1959-63

GENERAL AND MATCHING FUNDS

Percentage of annual increase (decrease)	1958-59	1959-60	1960-61	1961-62	1962-63
General fund:	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Real property taxes.....	(0.80)	34.87	(6.59)	43.44	18.19
Income taxes.....	36.38	41.74	29.82	28.50	4.97
Inheritance taxes.....	185.31	(39.38)	84.87	(11.78)	(53.23)
Stamp taxes.....	92.39	(26.41)	57.89	20.23	(.63)
Trade excise and gross receipts taxes.....	23.13	33.75	14.48	21.96	17.25
Custom duties.....	(3.48)	71.03	11.34	73.02	(13.16)
Licenses, fees and permits.....	3.66	22.85	12.38	16.54	13.97
Corporation franchise tax.....	-----	269.69	(1.70)	23.25	77.41
Fines, forfeits, and penalties.....	91.01	35.65	(14.76)	17.03	90.50
Interest on government funds.....	53.65	(81.64)	263.87	98.35	96.60
Other income.....	(1.51)	38.94	28.51	23.87	51.65
Total general fund.....	25.55	38.80	20.91	26.59	8
Matching fund:					
Internal revenue matching contribution.....	14.61	26.98	32.06	(4.94)	24.44
Interest on government funds.....	(54.41)	84.56	224.67	(30.44)	19.25
Contributions from other funds (reimbursements).....	52.00	(13.18)	81.98	36.19	112.41
Total matching funds.....	15.22	25.88	33.43	(5.46)	24.91
Grand total.....	20.85	33.20	26.03	12.70	14.15

Office of the Director of the Budget

Personnel: 5

Operating appropriation: \$39,090

The Governor's budget document and budget message, comprising two volumes of suggested departmental appropriations, justifications, revenue sources, and personnel budget requests was submitted to the legislature on January 14, 1963.

For operating appropriations, the Governor's budget document recommended a total of \$16,954,232 (as compared with over \$19 million requested by the various departments and agencies). When passed by the legislature in March 1963, the budget total was \$16,513,396 from which the Governor item vetoed \$872,200, leaving a net budget of \$15,641,196 which was increased in a June special session by \$1,943,320 to a revised total of \$17,584,516.

The capital budget recommended by the Governor for matching funds totaled \$4,500,000. As passed by the legislature and approved by the Governor, the capital budget was \$4,491,500.

The office of the director of the budget controls the budget by issuing quarterly allotments or apportionments to the various departments and agencies.

This office also watches the monthly reports of obligations submitted by the department of finance in order to determine whether departments are keeping safely within their apportioned funds or whether there are trends indicating possible deficiencies.

The director of the budget represents the Governor at all sessions of the legislature, in order to present the Governor's views on legislative proposals. This type of coordination between the executive and the legislative branches of the government has been of considerable assistance in furnishing the legislature with firsthand information on executive policies and, at the same time, furnishing the Governor daily with legislative trends as they may affect executive policy.

This office also issues monthly revenue reports with percentage and trends and monthly allotment reports for the information of the Governor and the legislature. Total revenues for the fiscal year 1963 were \$12,099,978, an increase of 8.67 percent from the previous year. Total appropriations were \$17,215,206, an increase of 24.33 percent from total appropriations of the preceding fiscal year.

Here are tables of major revenue increases between 1960 and 1962 and major operating appropriations for the same period (figures rounded out to nearest thousand dollars) :

	1960	1963	Increase
			<i>Percent</i>
Total revenues.....	\$7,274,000	\$12,000,000	64.97
Income taxes.....	4,332,000	7,582,000	75.02
Real property taxes.....	374,000	589,000	57.49
Trade and excise taxes.....	752,000	1,084,000	44.15
Gross receipts taxes.....	434,000	832,000	91.70
Customs dues (gross).....	457,000	1,220,000	166.96
Education.....	1,853,000	3,123,000	68.54
Public works.....	1,920,000	2,695,000	40.36
Health.....	1,967,000	2,991,000	52.06
Welfare.....	521,000	1,079,000	107.10
Safety.....	560,000	897,000	60.18
Commerce and Tourism.....	221,000	645,000	191.85
Total budgets.....	9,112,580	17,215,206	88.92

Operating budget—fiscal year 1963

[June 30, 1963]

Act No.	Appropriated	Allotted	Unallotted
835.....	\$200,000.00	\$200,000.00	-----
877/907/948.....	257,100.00	207,100.00	\$50,000.00
877/948.....	54,550.00	51,550.00	3,000.00
877/948.....	39,090.00	38,371.00	719.00
877/907/948.....	59,090.00	57,790.00	1,300.00
877/1014/1015.....	212,230.00	211,380.00	850.00
877.....	31,100.00	30,320.00	780.00
877/907/948.....	57,380.00	55,160.00	2,220.00
877/907/1034.....	35,500.00	35,500.00	-----
907.....	10,000.00	9,450.00	550.00
877/907/920/1034.....	297,894.00	296,722.00	1,172.00
877/907/917/948.....	119,210.00	119,210.00	-----
877/907/1034.....	865,441.00	865,441.00	-----
877/907/917/1000.....	3,154,328.00	3,123,166.00	31,162.00
.....	General fund: \$1,635,273.		
877/907/930/948.....	663,167.00	644,791.00	18,376.00
877/948.....	2,991,843.97	2,991,843.97	-----
.....	General fund: \$1,491,843.97.		
877/907/948/1034.....	919,175.00	897,827.00	21,348.00
877/948/1003.....	2,724,990.00	2,695,350.00	29,640.00
877/948.....	1,098,496.00	1,078,901.00	19,595.00
877/917/930/948/1000.....	334,700.00	327,961.00	6,739.00
877/948.....	282,902.00	272,652.30	10,249.70
877/907/917.....	105,970.00	103,865.00	2,105.00
877/1003.....	42,150.00	41,550.00	600.00
877/948.....	39,850.00	39,850.00	-----
877/1034.....	16,000.00	15,000.00	1,000.00
877/1034.....	18,000.00	16,800.00	1,200.00
877/1034.....	3,600.00	3,600.00	-----
1003.....	15,000.00	15,000.00	-----
Total.....	14,648,756.97	14,446,151.27	202,605.70

Operating budget—fiscal year 1963—Continued

SPECIAL PROJECTS

Act No.		Appropriated	Allotted	Unallotted
	The legislature:			
940-----	Resettlement committee-----	25,000.00	5,000.00	20.00
935-----	Tax revision committee-----	2,000.00		2,000.00
922-----	Government secretary's office: purchase and reprint pamphlets.	5,000.00	1,500.00	3,500.00
	Department of public works:			
842-----	Improvements at Estate Dorothea-----	10,000.00	10,000.00	-----
907-----	Clinic at Carenage-----	6,000.00	6,000.00	-----
948-----	Renovation of pump house for Boy Scouts.	15,000.00	15,000.00	-----
976-----	Claim—Radio station WSTA-----	1,799.00	1,799.00	-----
822-----	Department of social welfare: sewing project, St. John.	10,000.00	10,000.00	-----
	Office of the Governor:			
877-----	Contribution to homestead and home loan fund.	100,000.00	-----	100,000.00
877-----	Contribution to emergency housing fund.	200,000.00	180,000.00	20,000.00
907-----	Rum promotion-----	250,000.00	225,000.00	25,000.00
948-----	Grant to college-----	143,000.00	143,000.00	-----
877/930/980/998	Department of commerce:			
	Contribution to marine and aviation fund.	134,866.00	134,866.00	-----
877-----	St. Thomas Golf Association-----	6,000.00	6,000.00	-----
980-----	Removal of range towers, installation of beacon light, buoys, St. John.	20,000.00	-----	20,000.00
	Department of finance:			
820-----	Special temporary sugar cane fund-----	40,000.00	40,000.00	-----
877/920-----	Tax refund-----	365,000.00	365,000.00	-----
877/917-----	Industrial incentive program-----	200,000.00	200,000.00	-----
877/1034-----	Unliquidated encumbrances-----	25,000.00	25,000.00	-----
877-----	Bonding government employees-----	500.00	500.00	-----
877-----	Unemployment compensation-----	24,000.00	24,000.00	-----
967-----	Public works acceleration authority-----	130,000.00	-----	130,000.00
912-----	Funds for property acquisition-----	80,000.00	-----	80,000.00
920-----	Claim fund-----	5,000.00	5,000.00	-----
933-----	Sunbilt tropical fruit products-----	2,700.00	2,700.00	-----
1001-----	Emergency molasses fund-----	50,000.00	50,000.00	-----
947-----	Reimbursement to James Ayer-----	639.00	639.00	-----
965-----	Refund of cost of Internal Revenue Stamps.	500.00	500.00	-----
	Department of property and procurement:			
917-----	Compensation to Marcelo Maldonado-----	15,000.00	15,000.00	-----
917-----	Compensation to Regalado Benitez-----	5,000.00	5,000.00	-----
931-----	Temporary economic committee-----	7,000.00	7,000.00	-----
	Department of housing and community renewal:			
948-----	Grant to urban renewal board-----	25,000.00	25,000.00	-----
955-----	Transfer of land at estate profit-----	15,000.00	-----	15,000.00
	Department of health:			
917-----	Grant to student nurses-----	1,600.00	1,600.00	-----
948-----	Grant for practical nurses-----	7,300.00	7,300.00	-----
961-----	Repairs at Calabash Boom Clinic-----	10,000.00	10,000.00	-----
1010-----	Department of agriculture and labor:			
	Retraining Virgin Islands telephone employees.	10,000.00	3,500.00	6,500.00
	Department of education, grants and contributions:			
877-----	Boy Scouts-----	8,000.00	8,000.00	-----
877-----	Girl Scouts-----	5,000.00	4,500.00	500.00
877-----	Sea Scouts-----	1,000.00	1,000.00	-----
877/925-----	Scholarship fund-----	28,200.00	25,700.00	2,500.00
877-----	St. John Scholarship Fund-----	9,000.00	8,100.00	900.00
877-----	Wilmot Blyden Scholarship-----	4,000.00	3,600.00	400.00
877-----	Virgin Islands Museum-----	3,000.00	2,700.00	300.00
877-----	St. Croix Museum-----	5,000.00	4,500.00	500.00
877-----	Higher educational program-----	30,000.00	26,500.00	3,500.00
877-----	Community bands-----	10,000.00	9,000.00	1,000.00
917-----	Raiders Athletic Club-----	1,500.00	1,500.00	-----
	Total-----	2,052,604.00	1,621,004.00	431,600.00

Operating budget—fiscal year 1963—Continued

CONTINUED PROJECTS

Act No.		Appropriated	Allotted	Unallotted
895.....	Department of public works:			
895.....	Quarantine pens, fencing of abattoir.....	6,617.49	6,617.49	-----
895.....	Improvements of schools.....	1,377.48	1,377.48	-----
858.....	Acquisition of land.....	100,000.00	-----	100,000.00
895.....	Department of health: Telephone installation.	38,350.00	38,350.00	-----
895.....	Department of property and procurement:			
895.....	Land for Virgin Islands Housing and Urban Renewal Board.	27,712.00	-----	27,712.00
895.....	Milk fund.....	13,000.00	13,000.00	-----
827.....	Department of agriculture and labor:			
895.....	Soil conservation fund.....	30,000.00	30,000.00	-----
852.....	Assembly shed.....	1,500.00	1,500.00	-----
852.....	Office of the Governor: College of the Virgin Islands.	250,000.00	250,000.00	-----
767.....	Total.....	468,556.97	340,844.97	127,712.00
767.....	Department of finance: Wages to unemployment compensation.	45,288.29	45,288.29	-----
	Grand total.....	17,215,206.23	16,453,288.53	761,917.70

Gross U.S. internal revenue taxes on Virgin Islands imports

	Fiscal year—			
	1960	1961	1962	1963
July.....	\$564,731	\$443,418	\$544,642	\$422,536.53
August.....	414,047	615,263	677,316	641,487.05
September.....	978,778	1,058,681	1,221,958	1,064,023.58
October.....	561,702	566,498	482,947	818,765.93
	434,896	736,858	709,298	762,835.01
November.....	1,975,376	2,362,037	2,414,203	2,645,624.52
December.....	725,336	636,326	805,744	700,863.04
	694,588	701,372	951,442	585,888.70
January.....	3,395,300	3,699,735	4,171,389	3,932,376.26
February.....	627,223	525,558	736,861	605,587.01
	425,952	367,561	417,490	480,814.07
March.....	4,448,475	4,592,854	5,325,740	5,018,777.34
	491,942	544,443	465,588	538,443.91
April.....	4,940,417	5,137,297	5,791,328	5,557,221.25
	477,115	394,822	497,433	606,805.30
May.....	5,417,532	5,532,119	6,288,761	6,164,026.55
	496,622	590,259	775,451	721,067.16
June.....	5,914,154	6,122,378	7,064,212	6,885,093.71
	656,254	798,064	697,723	716,191.10
Total.....	6,570,408	6,920,442	7,761,935	7,601,284.81

Summary of matching fund appropriations, fiscal year 1963

Project No.	Project	Appropriated	Released by interior	Allotted	Unallotted
VI-2-----	Contingencies to be used for various projects in the discretion of the Governor.	\$25,000	\$25,000	\$25,000.00	-----
VI-5-----	For administration, inspection, and office and field engineering on matching fund projects including but not limited to the positions of 1 architect at \$7,500, 1 engineer at \$7,500, 1 civil engineer at \$7,500, 1 draftsman at \$4,400, 1 engineering aid at \$4,400, 2 engineering aids at \$4,800 each.	75,000	75,000	75,000.00	-----
VI-6-----	Contracted architect-engineer services for designs of programmed future matching funds projects.	50,000	50,000	50,000.00	-----
VI-7-----	For construction of wells, dams, and general engineering for soil conservation.	100,000	100,000	100,000.00	-----
<i>St. Thomas</i>					
ST-111----	For improvements at Magens Bay-----	20,000	20,000	20,000.00	-----
ST-112----	For redevelopment program at Altona-----	300,000	300,000	300,000.00	-----
ST-113----	For roads and streets islandwide as follows:				
	(a) Widening and paving of road connecting Catherineberg to Agnes Fancy and Nordsidevej.				
	(b) For opening of new road through homestead plots at Hospital Ground.				
	(c) Construction of Homestead Road at Upper Estate Lindberg Bay to the Estate Dorothea Highway.	300,000	287,500	287,500.00	12,500.00
	(d) Road improvements at Domini and Adel Gade, Contant (2 sections) Agnes Fancy; concrete paving of "Fireburn Hill"; improvements to St. Peter Mountain Road and Harmony-Casi Hill Highway.				
ST-114----	For increase in water storage facilities at East End and South Side (\$20,000); potable water extensions to Contant, Mahogany Gardens, and other areas; and salt water and sewer extensions including pumping equipment.	150,000	137,500	137,500.00	12,500.00
ST-116----	Equipment for public works activities, including road construction and maintenance equipment and additional garbage trucks.	75,000	75,000	75,000.00	-----
ST-117----	Addition (not less than 8 rooms) and repairs to Queen Louise Home and repairs to Corneiro Home.	40,000	40,000	40,000.00	-----
ST-118----	Educational facilities:				
	(1) Repairs, renovations and improvements to buildings.	100,000	100,000	100,000.00	-----
	(2) Addition of 3 shop buildings at Charlotte Amalie High School.	84,000	84,000	84,000.00	-----
	(3) Addition to Charlotte Amalie High School, including gymnasium.	450,000	450,000	450,000.00	-----
ST-119----	Construction of second floor addition to Knud Hansen Memorial Hospital and alteration to existing operating rooms.	1,000	1,000	993.53	6.47
ST-127----	Repairs, alterations, improvements to and equipment of Knud Hansen Memorial Hospital including provisions for isolation unit and additional general medical bed space and also including construction of living quarters for resident staff.	99,000	99,000	99,000.00	-----
VI-13-----	For feasibility studies, engineering and architectural design, and preliminary plans and specifications for new hospital facilities in the Virgin Islands.	100,000	100,000	100,000.00	-----
ST-103----	Renovation and repair or construction of building for the department of finance.	50,000	50,000	50,000.00	-----
ST-120----	Repair of administration building-----	10,000	10,000	10,000.00	-----
ST-121----	For acquisition and redevelopment at Honduras, Demarara, and Ross Estate-Taarneberg.	100,000	-----	-----	100,000.00
ST-122----	For renovation and extension of buildings at Kronprindsens Gade for use by department of social welfare and other government agencies.	100,000	100,000	15.52	99,984.48
ST-102----	For construction of detention home for youth.	50,000	50,000	50,000.00	-----
ST-123----	For street lighting at Contant, Mahogany Gardens, Anna's Fancy, Hospital Grounds and other areas.	20,000	20,000	20,000.00	-----

Summary of matching fund appropriations, fiscal year 1963—Continued

Project No.	Project	Appropriated	Released by interior	Allotted	Unallotted
ST-124----	For construction of drainage structures along West Indian Company Road.	25,000	25,000	25,000.00	-----
	<i>St. Croix</i>				
SC-101----	Construction, reconstruction and repair of islandwide roads, including streets in Christiansted and Frederiksted.	250,000	250,000	250,000.00	-----
SC-102----	Potable water, salt water, and sewer repairs and extensions.	50,000	50,000	50,000.00	-----
SC-103----	Offsite facilities for Ralph de Chabert Housing Development.	140,000	140,000	140,000.00	-----
SC-104----	Piping, pumps, and other installations necessary for connection of the Barren Spot Wells to the water system, including connections to intervening communities.	124,000	124,000	124,000.00	-----
SC-105----	Renovation of kitchen and dining room at Insular Training School, Anna's Hope, including tiling of floor and walls, and purchase of equipment.	18,000	18,000	18,000.00	-----
SC-106----	Acquisition of rights-of-way and construction of Christiansted Waterfront Highway, including ship channel to Upper Bay.	125,000	-----	-----	125,000.00
SC-107----	Acquisition of land at Estate Herman Hill for housing development.	125,000	125,000	-----	125,000.00
SC-108----	Improvement of Frederiksted beaches.	50,000	50,000	-----	50,000.00
SC-109----	Roofs over bleachers at Grove Place and racetrack to include sanitary facilities at racetrack.	50,000	50,000	50,000.00	-----
SC-110----	Equipment for Public Works activities including road construction and maintenance equipment and additional garbage trucks.	50,000	50,000	50,000.00	-----
SC-111----	Construction of emergency housing.	250,000	250,000	250,000.00	-----
SC-112----	Aided self-help housing.	50,000	50,000	50,000.00	-----
SC-113----	Improvements and addition to Herbert Grigg Home for the Aged.	50,000	50,000	50,000.00	-----
SC-114----	Educational facilities:				
	(1) Repairs and improvements to existing schools and school lunch warehouse.	100,000	100,000	100,000	-----
	(2) Addition of shop building and gymnasium, Claude O. Markoe School.	60,000	60,000	60,000	-----
	(3) Acquisition of land and construction of elementary school, Grove Place area.	274,000	274,000	274,000	-----
	(4) Addition to Claude O. Markoe School.	140,000	140,000	140,000	-----
	(5) Addition to Christiansted Elementary School and High School, including gymnasium.	168,000	168,000	168,000	-----
	<i>St. John</i>				
SJ-42----	Construction, reconstruction and repair of islandwide roads.	185,000	185,000	185,000	-----
SJ-43----	Equipment for public works activities.	50,000	50,000	50,000	-----
	<i>St. Thomas</i>				
ST-125----	For public improvements to Carenage area, including construction of steps, roads, drainage, retaining walls, fire hydrants culverts, sewer and water lines.	32,000	32,000	32,000	-----
ST-126----	For improvements of recreational facilities, including installation of lights for night games.	50,000	50,000	50,000	-----
	<i>St. Croix</i>				
SC-90----	For extension to and improvements of Alexander Hamilton Airport, including necessary work to comply with Act No. 868 (Bill No. 1661) for relocating, reconstructing, or replacing private properties required to be removed due to airport expansion and improvements.	200,000	200,000	200,000.00	-----
	Totals-----	4,915,000	4,665,000	4,390,009.05	524,990.95

Department of Housing and Community Renewal

Personnel: 21

Operating appropriation: \$105,970

The department of housing and community renewal, created by Act No. 903, approved June 18, 1962, was established on July 26, 1962, when the first commissioner of housing and community renewal was appointed. On September 1, 1963, activities of the homestead and home loan programs were officially transferred to the department of housing and community renewal from the department of property and procurement. The emergency housing program was transferred from the social welfare department. Several housing and community development activities have been initiated, including the Altona Community Development, the Demarara Community Development, and the Hospital Ground Emergency Housing Apartments in St. Thomas; the Estate Profit Community Development, Richmond Gardens Emergency Housing Apartments, and Camporico Emergency Housing Apartments in St. Croix. Legislation was enacted also to provide for the acquisition of approximately 80 acres of vacant land at Estate Contant, St. Thomas, for a middle-income housing development.

Considerable progress has been made during the first year of existence of the department in the actual construction of houses and also in preparation of plans for an accelerated program of community development in the ensuing fiscal year.

Possibly the most important piece of legislation dealing with housing and land distribution enacted by the Legislature of the Virgin Islands during the 1963 regular session was Act No. 991 (Bill No. 1799) to amend Title 29, Virgin Islands Code, by adding thereto a new chapter IX, entitled "Home Ownership and Development." This measure was approved by the Governor on March 27, 1963. Act No. 991 provides for a long-range program of land acquisition and home construction throughout the Virgin Islands. While the law will be administered by the department of housing and community renewal, it provides for an advisory committee to assist in its implementation. The Governor is authorized to issue bonds, borrow from public or private trust funds, or from government insurance funds for the purposes of procuring moneys to be loaned, appropriated, contributed, or granted to the department for use in connection with

any moderate income housing project recommended by the committee, provided that the total amount of funds provided shall not at any one time exceed \$5 million. Under this act land will be acquired and subdivided into plots of not more than one-half an acre. A moderate-income house will be constructed on each plot to be sold to eligible families to be paid for in full over a period not to exceed 30 years, at 5 percent interest.

The Altona Community Development

The Altona Community Development was authorized by Act No. 673, approved May 16, 1961, for the purpose of resettling occupants of superfluous houses in the Altona area in safe, sanitary, and decent owner-occupied houses. These families were threatened with eviction by the landowners and they had no place to relocate their shacks.

Eight middle-income homes were constructed in the Altona Community Development ranging in cost of construction from \$8,000 to \$10,000. These three-bedroom units have been assigned to eight families who were previously residing in dilapidated superfluous houses in the area. They will have a period of 20 years for full payment of the purchase price at 5 percent interest.

A contract for 50 additional houses has been awarded to a private firm, and construction will begin early in the next fiscal year. An engineering layout of the entire 15 acres has been made, and it is expected that a total of 110 lots will be made available for construction of middle-income homes. Four of the existing buildings are of sound construction and will be allowed to remain. The owners of these buildings will be allowed to purchase the lots on which the buildings are located. A census of the families residing in this area has indicated that there are 175 who are eligible to purchase these middle-income homes. However, only 110 families can be relocated on the land acquired by the government, and additional land will have to be made available in the future.

The Demarara Community Development

The Demarara Community Development is similar in scope to the Altona Community Development, and it was established by Act No. 1006, approved April 2, 1963, for the purpose of relocating occupants of superfluous houses in the area. This development is designed to eliminate a slum and blighted area on the Veterans Drive at the entrance to the French Village in Charlotte Amalie, St. Thomas. This area, comprising approximately 3 acres, is now an eyesore and badly in need of redevelopment. At the close of the fiscal year efforts were underway to acquire the area.



The panorama of progress in St. Thomas is seen in the above view of new public housing and school expansion. Dedication of the Oswald E. Harris Court, left, added 300 new units for low-income families. In the harbor is a huge dredge at work widening and deepening the turning basin of Charlotte Amalie harbor.

Estate Profit Community Development

The Estate Profit Community Development, St. Croix, was authorized by Act No. 955, approved March 4, 1963, as amended. Under this law the commissioner of housing and community renewal is authorized to undertake a program of community development including buildings for public health clinics, nursery and kindergarten schools, recreation centers, etc. The government-owned land at Estate Profit has been subdivided into 132 lots to provide for the relocation of families evicted from private estate lands. To date, 132 families have entered into leases with the government for lots, 47 have completed construction of their homes, 70 homes are under construction, and 15 lots are vacant. The Estate Profit Community Development Act also provides for the commissioner of housing and community renewal to establish and encourage a self-help program of community housing and community betterment. At the close of the fiscal year, construction had begun on the first of three low-cost houses to be used for the

purpose of demonstrating to the lessees how a safe, sanitary, and decent house could be constructed at low cost.

Middle-Income Housing

The major housing problem in the Virgin Islands is in the middle-income housing field. Negotiations have been entered into for the acquisition of approximately 80 acres of land at Estate Contant, St. Thomas, for the development of a middle-income housing program by the department of housing and community renewal. An effort is also being made to acquire about 200 acres of land in St. Croix for the same purpose. These areas will be developed under the provisions of Act No. 991, approved March 27, 1963, entitled "Home Ownership and Development." Under this act the government of the Virgin Islands is authorized to issue bonds not exceeding \$5 million for moderate income housing projects.

A rental apartments project is also in the planning stage to be constructed on government-owned land at Bluebeard's Castle Estate, St. Thomas. This project which will be comprised of 129 apartment units will be financed by a direct mortgage loan of \$3 million from the Housing and Home Finance Agency.

The Emergency Housing Program

An important function of the new department of housing and community renewal is the construction and administration of low-rent housing projects, financed completely by the local government for the relocation of families who have been legally evicted by the courts or who are residing in dilapidated slum buildings. With an upsurge in the general improvement of the local communities, owners of private properties are desirous of renovating their properties. The enforcement of the Sanitary Code requiring the installation of modern sanitary facilities in all buildings has also accelerated the demand for housing relocation. At the close of the fiscal year, there were on file in the department of housing and community renewal, 512 applications (2,301 persons) in St. Thomas for emergency housing; 119 (493 persons) in Christiansted; and 36 (174 persons) in Frederiksted, St. Croix. At the close of the fiscal year only 65 families (392 persons) had been housed in St. Thomas, and 78 families (284 persons) in St. Croix.

The department also is required to provide housing for the relocation of families from the urban renewal project areas.

During the fiscal year, 16 units of emergency housing were completed at Richmond Gardens, Christiansted, St. Croix. Work on 32 additional units in the same area was begun under private contract.

Sixteen units of emergency housing at Camporico Village, Frederiksted, St. Croix, were nearly completed and should be ready for occupancy early in the next fiscal year.

In St. Thomas, 40 units of emergency housing at the Hospital Ground Apartments were nearing completion at the close of the fiscal year, 8 additional units were completed at Estate Nadir and will soon be occupied. A three-bedroom emergency house was constructed on private land at Anna's Fancy, St. Thomas, under Section 203(b), Title 29 of the Virgin Islands Code, as amended, which requires repayment over a period of 20 years. It has been occupied.

Plans are now underway for a crash program of emergency houses to be constructed on lots leased from the Virgin Islands Corporation in St. Thomas. These houses will be built of wood in order to expedite the construction. In St. Croix additional houses will be constructed at Richmond Gardens and at Camporico Village for relocation of displacees from the urban renewal project areas, and for other families displaced by private action.

Emergency housing units on St. Thomas and St. Croix, June 30, 1963

	St. Thomas	St. Croix	Total
Number of buildings.....	24	65	89
Number of units.....	64	75	139
Number of units occupied.....	64	75	139

Homestead and Home Loan Program

Eleven contracts were executed for homestead land in the Virgin Islands with a total sales value of \$6,729.05. Thirty-seven deeds for homestead plots with a total selling price of \$17,042.98 were issued. A total of 20 waivers were executed in favor of lending institutions in order to permit homesteaders to obtain home construction loans. In addition, a general waiver and release was executed in favor of the Farmers Home Administration covering 107 plots at the Anna's Hope Development. At the close of the fiscal year there were 684 applications for homestead land on file.

Installments on home loans in the amount of \$23,737.50 were granted. Three loans were canceled during the year from which \$16,600.88 were recovered. At the close of the fiscal year there were 19 applications for home loans on file totaling \$148,200.

The sum of \$35,632.41 was collected from the sale of homestead land, repayments on loans, and interest and installments on land and dwellings at the Altona Community Development.

Accounts receivable as of June 30, 1963, amounted to \$297,853.18. The balance in homestead and home loan fund as of June 27, 1963, was \$51,421.32.

Work was started on the subdivision of the remaining 35 acres of land at Anna's Hope Development in St. Croix. It is anticipated that this work will be completed and allocations made during the first quarter of fiscal 1964. Approximately 65 quarter-acre plots are expected from this area.

Workable Program for Community Development

The workable program for community development for the Virgin Islands was certified by the Housing and Home Finance Agency to expire on September 1, 1963, at which time recertification is required. This program is necessary in order that the Virgin Islands may qualify for Federal funds for public housing, urban renewal, and other community development activities.

During the year progress was made in drafting a new building code and a housing code. These important measures will be submitted to the legislature during the next fiscal year.

Community Renewal Program

A grant of \$72,800 was made by the Housing and Home Finance Agency for a community renewal program study for the Virgin Islands. This will be matched by services from the local government valued at \$44,522. To date a work program has been approved, which includes (1) a general survey of the renewal needs in the urban areas of St. Thomas, St. Croix, and St. John; (2) evaluation of the community's requirements and resources for urban renewal action; and (3) development of a long-range program for renewal action. It is expected that the study will be completed by May 1964. It will be used as the basis for determining the type of treatment needed in neighborhoods for redevelopment and an all-out attack on existing blight and preventing its spread.

Virgin Islands Housing Authority

The Virgin Islands Housing Authority, successor to the Virgin Islands Housing and Urban Renewal Authority, is engaged in the management and development of public housing projects operated with Federal financial and technical assistance. The Oswald E. Harris Court, a 300-unit development, was completed and occupancy initiated on June 1, 1963. The 264-unit Ralph de Chabert Place, which has been close to completion since October 1962, has not yet been accepted for occupancy due to certain major deficiencies which must be corrected in order to insure the safety and convenience of the prospective residents. Required corrective work is now in progress.

Of four projects totaling 480 units in the planning stage, one of 200 units in Christiansted, St. Croix, will be advertised for bids in July 1963—preliminary drawings for another, of 32 units, to be built in St. Thomas have been approved.

With the creation of the Virgin Islands Urban Renewal Board, the responsibility for the administration of the federally aided urban renewal program was delegated to that agency. Prior to the transfer of that function, survey and planning applications for the Water Gut, Barracks Yard, and Lagoon Street urban renewal areas were completed by the housing authority.

Virgin Islands Urban Renewal Board

On October 11, 1962, the Virgin Islands Urban Renewal Board was officially designated a local public agency by the Government of the United States to administer the urban renewal program in the Virgin Islands.

On January 18, 1963, the Legislature of the Virgin Islands adopted resolutions approving three urban renewal plans for the Virgin Islands:

Barracks Yard, St. Thomas.—7.69 acres with 108 families involving 475 persons. Work to be done: Clearance of blighted area; development of a government center and residential housing, with conservation and rehabilitation of structures having historical and architectural value.

Water Gut, Christiansted, St. Croix.—26.43 acres with 210 families, involving 593 persons. Work to be done: Clearance of blighted area; development of a waterfront highway, commercial and residential resorts; conservation and rehabilitation of structures with historical and architectural value.

Lagoon Street, Frederiksted, St. Croix.—3.30 acres with 54 families, involving 265 persons. Work to be done: Clearance of blighted area; redevelopment of safe, decent, and sanitary housing with some consideration as to warehousing possibilities.

One of the major activities initiated during the year was the relocation of 43 families and 8 elderly individuals (241 persons) displaced from the Barracks Yard project area, approximately 50 percent of the workload.

On February 21, 1963, the loan and grant contract between the Government of the United States and the government of the Virgin Islands made available the following funds for development of these programs:

Area	Loan	Grant	Total
Barracks Yard.....	\$1,196,038	\$486,038	\$1,682,076
Water Gut.....	2,183,800	385,800	2,569,600
Lagoon Street.....	244,150	147,150	391,300
Total.....	3,623,988	1,018,988	4,642,976

On June 14, 1963, the acquisition program at Water Gut, St. Croix, began with the purchase of property No. 5 BA Market Street at the appraised price of \$25,237.90 and on June 17, 1963, in Barracks Yard, St. Thomas, with the purchase of property No. 24 Aaa Norre Gade at \$8,600. The majority of the remaining structures will be acquired through condemnation proceedings filed in the district court through the department of law.

Department of Property and Procurement

Personnel: 44

Operating appropriation: \$282,902

Division of Procurement and Supply

Purchase orders issued by the division amounted to 10,336 with a value of \$8,732,351.18.

5-year comparison

1959.....	\$3, 314, 952
1960.....	3, 051, 502
1961.....	6, 098, 554
1962.....	6, 582, 993
1963.....	8, 732, 351

These totals included 343 supply contracts valued at \$829,106.12; 34 construction contracts amounting to \$3,985,358.85; 25 professional contracts in the amount of \$615,786.80; 115 purchases made under contracts of the General Services Administration, Federal Supply Service, in the amount of \$103,439.66; 9,684 open market purchases amounting to \$2,855,946.50. Excluded from the above totals are "over-the-counter" transactions of less than \$50 and "more or less" contracts.

The largest and most significant transaction was the awarding of a contract for \$1,667,440 for construction of the Crown Bay Bulkhead.

The limitation for direct "over-the-counter" purchases was increased from \$10 to \$50, and new rules and regulations were adopted for this type of purchase. The net result was that the departments were given greater latitude in obtaining small quantities of supplies.

The central warehouse, although handicapped by lack of sufficient capital, showed a small increase in total sales.

Property Division

Since the completion of the physical inventory of all accountable government property, the division has been maintaining current records of acquisitions and disposals. Complete listings of government-owned property as of June 30, 1963, are being prepared and will be distributed to all departments.

Federal surplus property allocated to the Virgin Islands in fiscal 1963 amounted to \$15,342.11 compared to \$4,561 in fiscal 1962. The Virgin Islands are considered an "under region" and received No. 1 priority in the allocation of surplus property.

Land Division

The termination of the home loan and homestead functions of this division was accomplished when the employees of the program were transferred to the department of housing and community renewal during the early part of the fiscal year. There was very little accomplished in the field of price and rent control due primarily to the lack of effective legislation. A new weights and measures law has been enacted and personnel for administering it will be trained.

Department of Law

Personnel: 16

Operating appropriation: \$119,210

The legislature authorized appointment of an additional assistant attorney general, thus increasing the legal staff of the department of law to include the attorney general and four assistants.

Increased demand for legal services during the fiscal year was directly attributable to expanded activities of the other departments and agencies.

Establishment of the new department of housing and community renewal created the need for the department of law to assist in the work of property acquisition, housing regulations, and the drafting of legislation to implement the stepped-up housing programs. The department also undertook the legal work for the College of the Virgin Islands.

Forty-nine formal legal opinions were written in response to requests for legal advice from the Governor, executive departments, boards, commissions, and other agencies of the government.

During the year, the legal staff prosecuted more than 5,000 criminal matters in the municipal courts in Charlotte Amalie, Christiansted, Frederiksted, and Cruz Bay. A special assistant was added to the staff to make possible fuller investigation and action on complaints referred by the department of public safety or brought directly by private citizens.

The department of law investigated and settled, with approval of the Governor, claims up to \$1,000 against the government involving personal or property damage.

The program for collection of delinquent accounts owed to the department of finance, health, and public works was handled on an intensified basis.

In the district court, the department of law represented the government in 21 cases and argued 2 before the U.S. Court of Appeals for the Third Circuit.

More than 150 separate items of local legislation were drafted or reviewed by the attorney general's office, and the legal staff appeared before the legislature with the director of the budget, who also serves as the Governor's liaison officer with the senators, on an increased number of occasions during fiscal 1963.

Department of Public Safety

Personnel: 168

Operating appropriation: \$919,175

General

The increase in population and growth of industry and tourism continue to intensify the already critical demand for police services. This task is further complicated by a decentralized pattern of living which prevails throughout the 132 square miles of the territory. To cope with the situation and the changing needs of the growing insular community, the department undertook the accomplishment of the first phase of an action program designed for more effective utilization of its manpower within the police division.

A territorywide training program in modern law enforcement techniques was conducted. A study of the photographic laboratories in both St. Thomas and St. Croix was undertaken in collaboration with the Federal Bureau of Investigation, resulting in improvement of their operation. A troubleshooting squad was organized to cope with the growing number of teenage gangs springing up throughout the St. Thomas community, and the attorney general's committee on juvenile delinquency was created.

Steps were initiated leading to the establishment of a police library by the acquisition of books and treatises on police administration and law enforcement. The license bureau, as a result of an organization and method study, standardized its records management and its statistical procedures and, in collaboration with the department of finance, established simplified accounting and auditing procedures. A request for the services of two qualified investigators was approved to combat more effectively, the rising crime rate. A new deputy commissionership was created in St. Thomas charged with full responsibility for the administration and coordination of the activities within the district. Vacated by resignation was the position of deputy commissioner for the St. Croix District. New positions also were filled within the ranks by promotion and reorganization which resulted in a general bolstering of morale.

Bureau of Criminal Investigation

Two investigator positions were approved to increase the effectiveness of both the bureau in St. Thomas and that in St. Croix. During the year 1,427 criminal cases were investigated as compared with 1,242 for the previous year. The increase in the number of criminal cases, when taken in proportion to the total population, continues to be minute. However, the department is concerned with the reflection within this group of the number of cases attributed to minor offenders. The following chart gives a summary of the types of cases handled during the fiscal year 1963:

Number of criminal cases handled

Type	St. Thomas- St. John	St. Croix	Total
Criminal homicide:			
Manslaughter.....	1	7	8
Manslaughter by negligence.....	1	2	3
Rape.....	15	15	30
Robbery.....	5	3	8
Aggravated assault.....	23	28	51
Burglary.....	120	170	290
Petit larceny.....	90	197	287
Grand larceny.....	289	103	392
Auto thefts.....	4	10	14
Other assaults.....	19	7	26
Forgery.....	39	13	52
Embezzlement and fraud.....	1	1	2
Stolen property.....	8	16	24
Weapon-possession.....	7	14	21
Sex offenses.....	0	1	1
Offenses against family.....	0	0	0
Drunkenness.....	0	0	0
Narcotic drug laws.....	1	0	1
Disorderly conduct.....	10	23	33
Gambling and vagrancy.....	1	2	3
All other offenses.....	65	116	181
Total.....	699	728	1,427

5-year comparison—Total number of criminal cases handled

1959.....	338
1960.....	406
1961.....	669
1962.....	1,242
1963.....	1,427

Patrol Bureau

Despite increased productivity, demands for police service continued to exceed the patrol forces' best efforts. Manpower was spread dangerously thin throughout the main cities in the islands of St. Thomas and St. Croix. Even though efforts were made to overcome this situation through recruitment, the rate of attrition in the loss of personnel through resignations and other factors severely reduced the number of patrolmen available and adversely influenced the level of service. Despite this condition, inservice training brought encourag-

ing results in efficient "frontline" police performance. It further resulted in the establishment of better police-community relations.

Highway Patrol

The intensified campaign to provide more safety on the public highway was continued with particular attention being given to the island of St. Croix. Despite increased surveillance of the roads in both districts, the number of deaths from accidents increased from 4 in the previous year to 13 for this year. The number of traffic accidents increased to 1,416 as compared to 924 for the previous year. A total of 238 driving licenses were suspended. The situation will continue to grow more serious with the ever-increasing number of registered vehicles moving over the public roads and highways. To meet this problem, it will be necessary to increase the flexibility of the patrol through replacement of mobile equipment and the acquisition of additional new units within both districts.

Vehicular registration and licensing—Virgin Islands

	1959	1960	1961	1962	1963	1962		1963	
						St. Thomas	St. Croix	St. Thomas	St. Croix
Motor vehicles—private.....	3,414	3,027	3,610	4,185	4,736	2,251	1,934	2,854	1,882
Taxicabs and rented cars.....	1,009	1,237	1,339	1,371	1,712	951	420	1,183	529
Trucks—pickups.....	479	1,206	1,537	1,782	1,802	803	979	883	919
Buses.....	32	30	35	31	66	10	21	50	16
Trailers.....			28	28	27	11	17	5	22
Motorcycles.....	24	47	91	72	53	29	43	22	31
Motorbicycles.....			16	24	19		24		19
Motor scooters.....	51	136	82	96	161	46	50	96	65
Tractors.....			11	5	12	5		11	1
Bicycles.....	665	713	385	850	644	410	440	272	372
Drivers' licenses:									
Private.....	3,578	6,064	6,772	7,848	8,719	3,780	4,068	4,356	4,363
Taxi.....	859	600	1,063	1,419	988	850	569	685	303
Learners' permits.....	769	1,026	1,131	1,561	2,018	1,021	540	1,383	635
Motor vehicle transfers.....	825	1,005	1,061	1,640	2,060	997	643	1,165	895
Traffic tickets issued.....		1,877	2,888	2,682	3,189	1,784	898	1,915	1,274
Fees from registration.....	\$95,674	\$117,078	\$136,275	\$163,736	\$168,061				
Fines for traffic violations.....	10,005	15,429	21,785	25,215	29,266				
Visitors' permits.....	9,719	14,846	15,194	21,907	22,491				

Law Enforcement

The following figures show the activities of the police division as compared with the previous 4 fiscal years:

	1959	1960	1961	1962	1963
Criminal cases reported—all Virgin Islands.....	1,271	2,674	4,069	4,832	5,391
(a) Handled by foot patrol bureau:					
St. Thomas and St. John.....	349	321	270	211	306
St. Croix.....	534	177	454	527	432
(b) Handled by bureau of criminal investigation.....	388	406	669	1,242	1,427
(c) Traffic violations brought to court:					
St. Thomas.....		1,294	2,104	1,784	1,952
St. John.....		15	26	21	
St. Croix.....		461	776	1,051	1,274

	Money reported stolen	Money recovered	Money not recovered
St. Thomas.....	\$47,687.18	\$23,221.31	\$24,465.87
St. Croix.....	40,139.76	8,864.64	31,275.12
Christiansted.....	32,346.26	6,586.14	25,760.12
Frederiksted.....	7,793.50	2,278.50	5,515.00

Marshal service to the municipal courts was provided on an average of 5.5 days a week as follows:

	St. Croix	St. Thomas
Criminal summons.....	2,919	8,991
Civil summons.....	958	2,183
Writs of execution and/or attachment.....	313	454
Conciliations.....	697	690
Automobile liens.....		51
Traffic summons.....	1,351	1,915
Warrant of arrest.....	26	70
Total.....	6,264	14,354
Business inspection prior to issuing licenses.....		190
Real property attached for nonpayment of taxes.....		987

	Number of traffic accidents		Persons injured		Deaths	
	1961-62	1962-63	1961-62	1962-63	1961-62	1962-63
St. Thomas.....	646	1,187	151	190	2	5
St. Croix.....	278	229	129	161	2	8
Total.....	924	1,416	280	351	4	13
1958-59.....	838		278		11	
1959-60.....	910		238		5	
1960-61.....	600		229		8	

Richmond Penitentiary

During the year there were 144 admissions and at the end of the year there were 44 inmates.

The Richmond Prison industries program continues to provide inmates with training in new skills and trades, and provides a means whereby they earn a small income. As of the close of the year 25 inmates had established bank accounts. The main source of income is provided through the cement-block-making program. The prison farm project produced an estimated 12,000 pounds of yams, the major portion of which was made available to government institutions. The remainder was sold and the moneys derived therefrom deposited in the prison industries fund.

The rehabilitation program which encourages inmates to apply their time and skills in gainful pursuits has been most successful. About

30 percent of the inmates are engaged in the making of belts, furniture, fish nets, and ornaments. Others are engaged in such skilled tasks as upholstering and radio repairs. Money received from these spare-time occupations is used in part by the inmates to assist in the support of their families.

Fire Division

The fire division responded to 243 fire calls as against 178 for the previous year. The fire losses in St. Thomas and St. Croix amounted to \$69,199 as against last year's losses of \$34,378. Standing out most prominently are the large losses which were suffered in St. Croix during the fiscal year due to sugarcane fires—some 248 acres were damaged or destroyed with a value of \$52,185.

The fire division acquired two trailer-mounted pumps capable of delivering 1,000 gallons of water per minute one-half mile away from the point of suction lift. The legislature appropriated the sum of \$20,000 for the purchase of two water tank trucks for the island of St. Croix.

The need for additional firefighting equipment to protect life and property is very critical. There is also an immediate need for an effective system of radio communications inter- and intra-island.

Civil Defense

During the year, the civil defense organization initiated its disaster plans and developed an operational survival plan for the territory. Steps were taken to improve the warning capability of the St. Croix organization by the installation of additional outdoor warning devices at strategic points in the central and western sectors of the island.

Action was taken to stock designated fallout shelter spaces in the island of St. Thomas with food, water, medicines, and radiological detection kits. A territorywide exercise, "Operation Top Hat," was conducted during June 1963. Reports from all sources declared the exercises highly successful.

The emergency resources planning committee for the Virgin Islands was created in December 1962. Some 14 different task groups are presently engaged in the preparation of postdisaster plans which will affect all segments of insular economic activity.

Home Guard

The St. Thomas Home Guard unit rendered notable assistance to the police division and civil defense. Special duty units were made

available to the Virgin Islands Corporation at the Harry S Truman Airport, and to the St. Thomas Park Authority at Magens Bay for auxiliary police duty. Commendations were received by the St. Thomas unit for the conduct of its operations in these specific areas and throughout the community. The St. Croix unit, activated during the previous fiscal year, was granted space at King's Hill on a temporary basis in which to establish its headquarters. Uniform procurement for this group was accomplished. The major problem still remains that of finding suitable permanent quarters for both the St. Thomas and the St. Croix units. There are 57 home guard members in St. Thomas and 25 in St. Croix.

Police and Fire Commission

The commission held seven hearings for the year involving such charges as insubordination, conduct unbecoming an officer, and neglect of duty. Suspensions ranging from 5 to 15 days were ordered in five cases and two of the cases were dismissed.

Parole Board

The parole board held its regular twice-a-year meetings and applicants for parole were heard and cases reviewed. At the December 1962 meeting 12 cases came before the board for recommendation. Of that number, five were recommended for parole and later approved by the Governor. In May 1963, 12 cases came before the board for examination; of that number 5 were recommended for parole and later granted parole by the Governor.

Budget

The actual obligations incurred for operating the department of public safety over the past fiscal years may be observed from the following comparative chart:

Comparison of actual obligations, fiscal years 1959-63

	1959	1960	1961	1962	1963
Commissioner's office.....	\$29,715	\$31,018	\$80,751	\$98,789	\$101,011
Police and prison division.....	335,256	401,382	482,998	548,293	560,150
Fire division.....	90,944	116,731	129,660	134,003	162,927
Civil defense.....	1,518	2,618	2,434	5,617	17,584
Home guard.....	396	1,267	3,951	2,683	7,050
Police and fire commission.....	29	110	251	261	349
Parole board.....	68	192	112	95	120
Training, including 2 police instructors.....					4,800
Traffic advisory and safety commission.....					99
Total.....	457,926	553,318	700,157	789,741	854,126

The Municipal Courts

Personnel: 13

Operating appropriation: \$82,000

St. Thomas and St. John

During the year a total of 4,094 cases were disposed of in the municipal court. Divisionally, they are as follows, including preliminary hearings:

Criminal division.....	2, 547
Civil division.....	233
Small claims division.....	663
Juvenile and domestic relations division.....	258
Conciliation division.....	393
Total	4, 094

Two hundred and fifty-five applications were made for marriage licenses. Of these, 236 marriages were reported, as follows:

Anglican Church.....	29
Apostolic faith.....	2
Calvary Baptist Church.....	4
Church of God.....	1
Jewish synagogue.....	3
Lutheran Church.....	17
Methodist Church.....	51
Moravian Church.....	25
Municipal court.....	50
Pilgrim Holiness Church.....	2
Roman Catholic Church.....	50
Seventh Day Adventist Church.....	2
Total	236

During the year there was one coroner's inquest held. In this case the deceased was found to have met his death through accidental means.

Extensive renovation work in the courtroom and offices, including repainting, tiling, and air conditioning of offices was accomplished during the fiscal year.

The total cost of operating the municipal court was \$35,132.39. A total of \$29,644.85 was collected from court fines, notary fees, court costs and fees, and other miscellaneous charges.

Comparative figures covering a 5-year period are given below.

Comparative figures—5-year period

	1959	1960	1961	1962	1963
Cases disposed of:					
Criminal division.....	1,452	2,167	2,833	2,622	2,547
Civil division.....	834	202	330	470	233
Small claims division.....		463	574	693	663
Juvenile and domestic relations division.....	103	225	161	304	258
Conciliation division.....	397	407	465	393	393
Total.....	2,786	3,464	4,363	4,482	4,094
Marriage licenses applied for.....	205	212	275	277	255
Marriages reported:					
Anglican Church.....	26	28	38	32	29
Apostolic faith.....		3	1	3	2
Calvary Baptist Church.....	1		4	4	4
Church of God.....		5	2	3	1
District court.....	2	2	4	2	0
Jewish synagogue.....	1	2	0	0	3
Lutheran Church.....	18	11	11	23	17
Methodist Church.....	50	62	70	50	51
Moravian Church.....	22	21	23	42	25
Municipal court.....	32	32	53	54	50
Pilgrim Holiness Church.....	2		1	1	2
Reformed Church.....	1	1		3	
Roman Catholic Church.....	35	32	42	45	50
Seventh Day Adventist.....	5	1	9	4	2
Total.....	195	200	258	266	236
Total cost of operation of municipal court.....			\$29,762.47	\$33,222.04	\$35,132.39
Total collections of the court.....	\$12,180.45	\$16,515.40	25,168.40	25,389.00	29,644.85

St. Croix

A total of 2,800 cases were disposed of in the municipal court of St. Croix, as follows:

Preliminary hearings.....	50
Criminal cases.....	463
Civil cases.....	333
Small claims cases.....	271
Traffic cases.....	1,159
Juvenile and domestic relations cases.....	207
Conciliation cases.....	317
Total.....	2,800

The overall increase of cases terminated during the year just ended as compared with those terminated in the previous year is 292 cases, or approximately 12 percent.

There were 209 marriage licenses issued. A total of 187 marriages were reported, as follows:

Roman Catholic Church.....	40
Municipal court.....	42
Moravian Church.....	23
Anglican Church.....	29
Lutheran Church.....	12
A.M.E. Church.....	17
Baptist Church.....	1

Seventh Day Adventist Church.....	---
Pentecostal Church.....	7
Pilgrim Holiness Church.....	10
Spanish Methodist.....	---
Church of God.....	2
Jehovah Witness.....	3
United Brothers in Christ.....	1
Total.....	187

The municipal court of St. Croix collected revenues totaling \$21,549.50 from notary fees, miscellaneous police and court fees, court fines, court costs and other charges, representing an increase of approximately 26 percent over the court's revenues of the preceding year.

The total cost of operating the municipal court was \$33,593.47. This figure is derived from the actual obligation documents in the court's office, as the accounting is handled by the department of finance in St. Thomas. This amount does not include the salary of \$5,800 for the reporter-secretary which was not filled during the fiscal year 1963.

Comparative figures—5-year period

	1959	1960	1961	1962	1963
Cases terminated:					
Preliminary hearings.....	41	39	55	63	50
Criminal cases.....	416	360	434	474	463
Civil cases.....	104	196	138	278	333
Small claims cases.....	286	303	165	214	271
Traffic cases.....	331	626	877	967	1,159
Juvenile and domestic relations.....	135	166	207	192	207
Conciliation cases.....	124	183	200	321	317
	1,437	1,873	2,076	2,509	2,800
Marriage licenses issued.....	115	125	152	159	209
Marriages reported:					
Roman Catholic Church.....	31	28	28	39	40
Municipal court.....	31	38	54	35	42
Moravian Church.....	7	12	10	15	23
Anglican Church.....	12	12	26	14	29
Lutheran Church.....	12	17	15	10	12
A.M.E. Church.....	7	3	7	9	17
Baptist Church.....	---	2	---	4	1
Seventh Day Adventist.....	3	1	---	---	---
Pentecostal Church.....	1	1	2	3	7
Pilgrim Holiness Church.....	1	5	3	2	10
Spanish Methodist Church.....	1	6	1	1	---
Church of God.....	---	---	---	1	2
Jehovah Witness.....	2	---	---	---	3
United Brothers in Christ.....	---	1	5	---	1
Jewish synagogue.....	---	---	1	---	---
Total.....	108	126	152	137	187
Revenues collected.....	\$6,224.65	\$8,746.37	\$11,756.30	\$16,974.15	\$21,549.50
Operating cost.....	24,971.77	28,523.91	32,384.68	39,452.38	33,593.47

Office of the Probation Officer

Personnel: 5

Operating appropriation: \$31,100

During fiscal 1963, 40 cases were received, making a total of 142 cases handled during the year. Of this amount, 19 cases were terminated during that time.

A total of 1,000 investigations were made during the year. A total of 773 reports were written for an increase of 590 over the previous fiscal year. A breakdown of the reports is as follows:

634 on inmates at Richmond Penitentiary

101 to the courts

26 parole board

12 for other states

A very high rate of adjustment to probation and parole was experienced during the year. Of the 145 individuals on supervision, only 2 committed offenses which necessitated revocation. One was a parolee and the other a probationer.

Parole Board

Plans were made during the fiscal year for a major overhaul of the Virgin Islands penal and correctional system. Steps are being taken to implement recommendations made by the U.S. Director of Prisons in his report to the Governor, following his survey last year of the local system.

The report recommended construction of a new, modern, and versatile institution for the custody, treatment, and rehabilitation of adults charged with or convicted of crime and for detention of the more serious young offenders. It further recommended reorganization of the administrative structure for operating correctional facilities and complete modernization of statutes and regulations with regard to prisons, parole, probation, and young delinquents. The report called for reconsideration and revision of present policies with regard to budget and salaries for correctional personnel, parole board facilities and officers, probation officer services to district and municipal courts and detention of young boys under police supervision.

The Governor appointed two committees, both headed by the chairman of the parole board. One committee was charged with recom-

mending a site for the new prison. The other was to implement the other recommendations of the U.S. Director of Prisons.

In its report, the prison site committee recommended a tract of 150 acres of land in the Christiansted District of St. Croix. Negotiations were commenced for purchase of this land from the Virgin Islands Corporation. Terms for acquisition of the site are now under active consideration by the Board of Directors of the Corporation and early agreement is expected. The Governor then will seek necessary authorization by the legislature to buy the site and push on toward early construction of the new prison facility.

The chairman of the committee to implement further recommendations of the U.S. Director of Prisons held 4 days of conferences with the Director in Washington. As a result the Director agreed to assign members of his staff to work on preliminary plans for the new prison, revision of the Virgin Islands Code to include drafting of a new comprehensive correctional law, and new prison routines for Richmond Penitentiary pending removal of prison operations from jurisdiction of the department of public safety.

With the assistance of the U.S. Director of Prisons, the possibility of Federal aid in financing the new penitentiary was explored. It is hoped that funds may be secured under the Public Works Act by the Area Redevelopment Administration which in turn would allot funds to the Community Facilities Administration for reallocation to the Virgin Islands.

Planning Board

Personnel: 10

Operating appropriation: \$59,090

Work continued during fiscal 1963 under the contract with the Housing and Home Finance Agency for the urban planning assistance grant of \$113,875, the first such grant in the Virgin Islands. This is for preparation of topographic maps and comprehensive plan studies for guiding the future development of the three islands.

The planning board this year administered zoning and subdivision regulations enacted by the legislature. A number of applications for exceptions and variances were considered. To facilitate this, biweekly meetings were held in St. Thomas and St. Croix. One meeting was conducted at Cruz Bay, St. John. Public hearings also were held on the same schedule.

During the year, a study was conducted and recommendations made for a new post office site. Conferences were held with the Federal officials involved concerning parking facilities and architectural treatment of buildings.

The board also assisted the College of the Virgin Islands with respect to sites and architecture for development of its campus. Other services rendered were for preservation of historic architecture, review of legislation for housing aids, formulation of trailer park regulations, and policies pertaining to houseboats.

Training of a Virgin Islander for the post of city planner was continued in the Graduate School of Planning at Harvard University.

Division of Personnel

Personnel: 16

Operating appropriation: \$96,900

Legislation of significance to personnel administration, which was passed and received executive approval during the past years, included: (1) A bill to permit earlier retirement of legislators; (2) a bill to prohibit nonmerit discrimination in the public service; (3) a bill to revise the pay plan for employees in the classified service of the government of the Virgin Islands. This latter bill is perhaps the most significant piece of legislation to affect the salary administration of classified employees for several years.

Also included in an appropriation bill passed and approved during the past year was a provision authorizing the Governor to grant increases in salaries to unclassified employees which in his discretion will be comparable to increases granted in the new pay plan to classified employees.

Employee training has been given continued emphasis. Twenty officers of the government attended an intensive course in management. The course was so successful that discussions were immediately entered for repeating the course in St. Thomas and holding a similar seminar in St. Croix.

During the past year, the Governor delegated several personnel functions to the director of personnel, thus permitting independent approval by this officer of a wide range of personnel transactions.

The following is a departmental breakdown of positions in the classified and unclassified service as of June 30, 1963:

Number of positions by departments (classified and unclassified—Executive branch)¹

Departments	District of St. Thomas and St. John		District of St. Croix		Total
	Classified	Un- classified	Classified	Un- classified	
Governor's office:					
Administrative assistant to the Governor—St. John	5	2			
Administrative office—St. Thomas	1	18			
Administrative assistant to the Governor—St. Croix			4	7	
Division of personnel	13	2	1		
Planning board	4	4	1	1	
Probation officer		2	1	2	
Budget director		5			
Capital staff					73
Government secretary	19	10	7	4	40
Commerce	23	22	25	9	79
Property and procurement	21	8	4	5	38
Agriculture and labor	15	12	25	26	78
Employment service	28		7		35
Finance	107	29	17	5	158
Social welfare	45	4	90	6	145
Public safety	76	6	79	7	168
Public works	142	20	150	15	327
Health	350	6	225	5	586
Education	379	24	230	16	649
Housing and community renewal	7	7	1	6	21
Law	1	12		3	16
	1,236	193	867	117	2,413

¹ This represents an actual physical count of employees appearing on the respective departmental rosters as of June 30, 1963.

Human Relations Commission

The work of smooth enforcement of the Islands' comprehensive Civil Rights Law was aided by the continued efforts of the Governor's Human Relations Commission in fiscal 1963.

The commission quietly investigated complaints submitted to it and worked to settle these by mediation. Where misunderstandings existed, conciliation was used to settle these differences in an atmosphere of reason and without recriminations. While there are no statistics to highlight the work of the commission, the results of this work are evident in the fair and equal treatment of all citizens without regard to race, creed, or color.

Traffic Advisory and Safety Committee

Growth of the urban areas in the Virgin Islands and the steadily increasing number of motor vehicles has contributed to traffic and parking problems.

To cope with these problems, the traffic advisory and safety committee, authorized by the Fourth Legislature, undertook a comprehensive survey of traffic patterns to assess the most pressing needs.

A 10-point traffic plan was prepared and recommended for the town of Charlotte Amalie, where problems are the most aggravated. This plan included projects for rerouting, widening and improving key streets, covering gutters, cutting new roads and extending existing ones, building connecting bridges, painting lines to define traffic lanes where needed, installation of traffic lights, and expansion of downtown parking areas. Estimated cost of the plan is \$400,000. Recommendations for its adoption were submitted to the Governor for referral to the legislature.

Public Utilities Commission

At the beginning of the year, the West Indian Company, Ltd., petitioned for an increase in its schedule of storage rates. Company representatives stated that in recent years the transit warehouses had become hopelessly congested because consignees would not pick up shipments when they were ready. This situation was producing higher operating expenses and lower efficiency in sorting cargo. The company contended and the commission agreed that an increase in storage rates would prove to be an effective incentive for people to call for their cargo within a reasonable length of time after notices of arrival had been received.

The commission held several public hearings concerning a later petition from the West Indian Company for an increase in their landing and loading charges. The public and representatives of the local government were invited and did attend. On June 6, 1963, the commission approved an increase of 20 percent to become effective as of that date. However, since the company had requested a 25 percent increase, it was agreed that the company would be allowed to present such rebuttal evidence upon the testimony heard as it might wish at some future date. To this date, the company has not presented such rebuttal evidence.

The commission approved a petition from the Manassah Bus Line, which has an exclusive franchise for the island of St. Thomas, to institute bus service between Charlotte Amalie and Red Hook—five trips daily at a fare of 40 cents per trip.

A number of matters were presented by the Virgin Islands Telephone Company. During the year the Commission—

1. Approved regulations concerning joint user service, deceased subscribers, and lease and sale of property ;
2. Approved temporary schedule of rates, submitted jointly by the Virgin Islands Telephone Company and All America Cable and Radio, for interisland telephone service, upon condition that an amended application for approval of the rates would be submitted at a later date (this amended application would be based on actual experience with the news system) ;
3. Authorized the company to initiate a 50 cents per telephone per month charge for unlisted telephone service.

Selective Service

*Personnel: 5 compensated
25 uncompensated*

Operating appropriation: \$29,954

Registration of men attaining the age of 18 years was continued as required by law. This brought the total of registrants to 5,764, ranging between 18 and 40 years of age, in fiscal 1963. There were 435 new registrations, slightly less than the 445 registered in fiscal 1962. However, the trend over the past few years continues to reflect the higher birth rate experienced during World War II.

Of the approximately 2,100 men who have entered service since 1950, 1,415 have been inducted through the Selective Service process, while approximately 700 entered through direct enlistment.

The two local boards, one serving St. Thomas and St. John, and the other serving St. Croix, met monthly to complete 1,150 classification actions—none of which was appealed to the Virgin Islands Appeal Board. A sizable number of these actions were reclassifications of Class I-A registrants with children to Class III-A, and the reclassification of certain registrants to the new Class I-Y, a classification reserved for those registrants not now qualified for induction but who are presumed to be qualified generally in time of national emergency. Both classes represent deferments.

Examinations More Stringent

Preinduction physical examinations were administered to 121 registrants at armed forces examining stations. Of these, 50 were found acceptable and 71 were not acceptable. The tabulation indicates results over a period of five years. While no particular trend is indicated in these results, it is noteworthy that the difference in the acceptability rate occurring between 1959 and 1960 is due to the adoption of more critical testing standards, which were again raised in the closing months of this fiscal year.

Years	1959		1960		1961		1962		1963	
	No.	Per-cent	No.	Per-cent	No.	Per-cent	No.	Per-cent	No.	Per-cent
Examined.....	123	-----	223	-----	126	-----	156	-----	121	-----
Accepted.....	67	54	82	37	43	34	66	42	50	41
Rejected.....	56	46	141	63	83	66	90	58	71	59
Mental.....	46	38	102	46	59	47	67	43	64	53
Physical.....	5	4	16	7	14	11	17	11	4	3
Combination and/or other.....	5	4	23	10	10	8	6	4	3	3

Induction Quota Oversubscribed

The induction quota of 33 was oversubscribed by 3. All of the 36 registrants inducted were volunteers; all entered the U.S. Army. Additionally, 40 entered the various armed services by direct enlistment, contributing to a net of 76 entries into the service as against 96 separations.

The number of standby reservists continues to decline as members complete their military obligations. A total of 79 at yearend reflected a net loss of 49 from the inventory of 1 year ago. Sixty-nine, or 87 percent of the total, have been determined available for recall to active duty in the armed services in the event of a national emergency.

The system is maintained by 5 compensated employees and 25 uncompensated employees, comprising boards and advisory groups.

Conclusion

The Governor of the Virgin Islands took office with a firm resolve to move ahead in all the social, economic, and cultural programs so aggressively initiated and pushed forward by the Federal administration.

The people of the Virgin Islands and a majority of their elected leaders joined forces with the Governor and supported these programs as a renewal of their Bill of Human Rights under American democracy.

There has been a lot of catching up to do. In some areas, there still is. However, the foregoing report is graphic evidence of progress being made on all fronts. In many cases, the Virgin Islands have set the pace, with housing and educational projects which will be used as models for other communities on the U.S. mainland and in countries around the world.

The resolve to move ahead can never be terminated so long as the will to progress is alive. In the Virgin Islands, for example, teacher-to-pupil ratios which once ran as high as 80 to 1 have been reduced to an average of 35 to 1. This is progress, but it is accepted that further improvement must be made. In housing, substandard areas are being renewed and families relocated in modern, low-rent public housing projects. However, it is recognized that this is a continuing process that always must be carried forward. Hospital and medical facilities have steadily been expanded, but present and projected needs call for herculean efforts in the future.

The conclusion of this report is that the broad majority of the people understands and accepts the responsibility to move ahead toward social, economic, and cultural goals far beyond present achievements. Its further conclusion is that the Virgin Islands, by virtue of this mature acceptance of responsibility, is justified in its hopes to soon acquire the right to elect its own Governor and be represented by an elected delegate to the Congress.

